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THE LABOR PROBLEM

In The United States
and Great Britain

THE LABOR PROBLEM

IN THE UNITED STATES AND GREAT BRITAIN

BY

WARREN B. CATLIN

FAYERWEATHER PROFESSOR OF ECONOMICS
IN BOWDOIN COLLEGE

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CONTENTS

Page

PREFACE ix

PART I: ORIGINS

Chapter

I THE PROBLEM 3
"Three in One"—A "Business Proposition"—The Public Interest—What Does Labor Want?

II THE ORIGINS AND SOURCES OF A WAGE-WORKING CLASS 17
"The Ancient Lowly"—The Agricultural Contingent—Journeymen and Apprentices—Immigrants—Women and Children—"Class-Consciousness"

PART II: GRIEVANCES

III UNEMPLOYMENT 47
Character and Extent of Unemployment—Causes

IV OVERSTRAIN AND SUPERANNUATION 77
Industry and Health—The Prevalence of Overstrain—Speed—Monotony and Noise—Hours—Pension Systems

V THE CASUALTY LIST OF INDUSTRY 103
Diseases of Occupation—Industrial Accidents—Responsibility—Palliatives and Sedatives

VI WAGES 140
The "Paramount Issue"—The Trend of Real Wages—Explanations—Do Wages Compensate?—"An American Standard"

VII THE CONCENTRATION OF WEALTH 171
"Unearned Incomes"—The Degree of Concentration—Is Concentration Increasing?

VIII OPPORTUNITY 196
"The Two Nations"—The Physical Handicap—The Cost of Education—Civil Liberties—A Commercialized Press—Academic Freedom—The Fic-

Chapter Page

tion of Political Equality—Economic Factors in Crime and Vice—Summary

PART III: UNIONISM

IX Evolution: Growth 225
Definition—Spontaneity—Leadership—Propaganda—Imitation—Defensive Character

X Evolution: Structure and Government . . . 259
Importance of Structure—National Organization—Internationalism—Industrial Relationships—Local Federations—General Federations—The American Federation of Labor—The British Trades Union Congress—Industrial Unionism—Conclusion

XI Collective Bargaining 316
Union Policies and Methods in General—Unions *vs.* Shop Committees—Examples of Collective Bargaining

XII Membership Requirements 344
The Union Shop—What Constitutes an Open Union?—British Practice Regarding Restriction—Restrictive Tactics in America

XIII Restriction of Output 362
The Indictment—Nature of the Offense—The Defense—Motives and Palliations—Conclusion

XIV Benefit Features 391
Extent and Forms—Advantages—Difficulties

XV Strikes and Boycotts 405
A Last Resort—Strike Statistics—Do Strikes Pay?—The Other Parties—"Law and Order"—The Boycott: Its Nature and Forms—Is the Boycott a Justifiable Weapon?

XVI Value and Limitations 429
The Employer's Opinion—Social Value—Gains to Labor—"Other Gods"—Numerical Limits—Questions Still Unanswered

PART IV: LABOR POLITICS

XVII The Labor Vote 445
The Rôle of Politics—The Importance of Votes—History of the Suffrage in America—The Suffrage in Great Britain

Chapter Page

XVIII Clearing the Path 457
General Scope of Labor Politics—Upholding Unionism — Constitutional Limitations — Oiling the Machinery—Education for Democracy

XIX Supplementary Legislation 488
Protection to Special Groups—Measures of More General Application

XX Political Methods 508
The Alternatives—The Rise of the British Labor Party—The Non-partisan Tactics of the American Federation—Judging by Aims and Results

XXI An Appraisal of Labor Legislation 533
The Employer's Antagonism—The Public Weal —The Labor Estimate

PART V: COLLECTIVISM

XXII Co-operation 553
Constituency and Purpose—History and Forms, British—Co-operation in America—Technique —Criticism and Relationships

XXIII Socialism 597
"Quintessence" — Evolution and Elements — Ways and Means—"Strength and Weakness"

XXIV A Working Creed 634

Index 641

106

PREFACE

It is better to be right than to be original. The predilection of our great universities for specialization and research, and the zeal of numerous governmental and privately endowed bureaus and commissions for investigation, supply us annually with a huge mass of more or less new material upon a great variety of subjects. There is grave danger that in the continued prosecution of fresh inquiries much of this data already available may not be properly utilized and correlated, and that the publications in which it reposes may become only ballast for the lower shelves of a library. Complete assimilation, we are told, should precede the eating of another hearty meal; and in the scientific world analysis should always be accompanied and supplemented by synthesis. Only in this way can we arrive at something approaching a philosophy or working program for any field of knowledge.

Some aid for those who wish quickly to acquire a certain understanding of particular bodies of facts and opinions is given by the scrap-books or books of readings with which the market is now being rather abundantly supplied. But many find these somewhat lacking in unity, and prefer that their information be "sicklied o'er with the pale cast of thought." And this is a service that can perhaps be rendered most easily and most naturally by one living in the somewhat quieter and less specialized environment of the small college.

Such a synthesis of studies relating to various aspects of the Labor Problem, together with some first-hand observations made during the course of more than twenty years of study and travel, is the rather ambitious purpose of this book. Obviously it could not have been undertaken without a disposition to gather authoritative information wherever it could be found, nor carried through without the ready assistance of many persons both here and abroad.

My obligations to other writers and to current literature on

the labor question are perhaps sufficiently indicated by the copious footnotes that "dog" the text. I am grateful to the authorities in charge of several libraries—particularly those at Columbia University, Harvard University, the University of Wisconsin, the New York Public Library, the Bodleian Library at Oxford University, and the British Museum—for permission at various times to use their admirable collections. It is to be hoped that the numerous and frequent interviews granted by labor leaders and representative employers in the leading industrial centers of the United States and Great Britain, and attendance upon labor meetings and conventions in both countries, may have saved the study from being too purely historical and academic. If the willingness to do a kindness and to give generously of time and thought, when there is little if any prospect of a return of the favor, is the mark of a gentleman, then it must be admitted that the leaders of the different branches of the labor movement rank high in this regard.

The late President William De Witt Hyde and President Kenneth C. M. Sills of Bowdoin College have freely lent their encouragement to the enterprise, and have, on occasion, granted liberal periods of release from academic duties. Professor E. R. A. Seligman of Columbia University has read portions of the manuscript and urged its completion. Dr. James P. Warbasse of the Co-operative League kindly read and commented upon the chapter on Co-operation. Professor Paul H. Douglas of the University of Chicago read and criticized the chapters on Labor Politics.

But I wish especially to state my indebtedness to my friends, the late Judge Eugene Wilber and Mrs. Wilber of Saginaw, Michigan, for advice and assistance upon both substance and form; and to Professor Henry R. Seager of Columbia University in whose seminar the study was begun, and who has read the whole manuscript in its various stages and made many valuable suggestions for its improvement.

W. B. C.

Brunswick, Maine,
August, 1926.

PART I

ORIGINS

THE LABOR PROBLEM

In the United States and Great Britain

CHAPTER I

THE PROBLEM

1. "THREE IN ONE"

THE difficulty of settling a dispute increases approximately s the square of the number of parties engaged in it. All nembers of the community—employers, employees, and the ublic—are, perforce, concerned in the labor problem. And ne only point upon which the three parties seem to be in greement is in being dissatisfied with things as they are. 'he conceptions which they have of the nature of the problem ary almost as widely as the impressions which the three lind men in the fable had of the elephant. Employers and mployees are so separated and divided by the conditions of nodern industry that they are unable to catch one another's iewpoint. Their misunderstandings, and the conflicts in 'hich they frequently engage, bring grave loss not only to hemselves but to the public as well. And the rôle of the eace-maker is a hazardous one.

No question, therefore, is fraught with more explosive pos- ibilities. That cool, scientific attitude which considers dis- assionately the claims and contentions of each party is xtremely difficult to take and to maintain. Yet the real nd permanent interests of the contending groups cannot e so diverse and antagonistic as they seem to men blinded y self-interest or by the smoke of battle. So far as anyone

can see, whatever the system of industry—capitalistic, socialistic, or any other—there must continue to be an employing interest to direct, an employee interest to perform and carry out, and a public interest to be served by both the others and to pay the bills. From whatever angle we approach the question we are eventually driven to consider all phases of it. And no real solution can be found which is not such for all parties.

2. A "BUSINESS PROPOSITION"

The labor problem to the employer is one of securing and retaining, so long as he needs it, an adequate and competent labor-force, at rates of pay that will leave him a profit when the goods are sold and expenses are paid. He has a costly plant which must be kept continuously in operation if fixed charges are to be met. The large items in his running expenses are commonly labor and materials; and the materials themselves embody a larger or smaller labor-cost for their production and transportation. However capitalistic the mode of production, however great the use of machinery, labor can never be wholly dispensed with. The proportion which direct labor-cost, including both wages and salaries, bears to total operating costs varies widely, of course, from industry to industry. Where the changes wrought by manufacture are relatively simple, as in slaughtering and meat packing and in the milling industry, it may be as low as from one-fourteenth to one-twenty-fourth. In more specialized and elaborate processes, such as those in the manufacture of cotton and woolen goods, electrical machinery and supplies, and musical instruments, labor-cost is about a third of the total.[1] Almost half of the railway dollar goes directly to labor; and when the labor-cost of materials and equipment is included, probably this item takes about 90 per cent of gross revenues.[2] Mr. Gary of the United States Steel Corporation has several times

[1] *Census of Manufactures, 1921, Summary* (Washington, 1924), pp. 9, 10, 11, 24, 25.

[2] Interstate Commerce Commission, *Statistics of Railways in the United States for the Year 1922* (Washington, 1924), pp. xxi, xlix; Price, Theodore H., "The Index Number Wage," *Commerce and Finance* (New York, May 7, 1919), p. 595.

eclared that 85 per cent of the cost of steel, from raw mate-
als to finished product, is the wages paid to labor.[1] Hence,
ıe importance of labor and of labor-cost in determining the
ıccess or the failure of a business can hardly be exaggerated.
Neither can it be denied that the present-day employer
ften has much ground for dissatisfaction with the attitude
ıd the conduct of his employees. The disloyalty of the hire-
ng has been proverbial in all generations. Long before the
ıdustrial Revolution, masters were portrayed as sighing for
the constant service of the antique world, when men did
veat for duty and not for meed." But modern industrial
ɔnditions are such as greatly to aggravate the evil. Work-
ıen are brought together in great masses, and there is not
ıe opportunity for that personal touch between employer
ıd employee which characterized some earlier labor systems.
'he division and subdivision of tasks make much factory labor
ıonotonous and uninteresting; and the "cash nexus," alone,
ırnishes but a feeble and uncertain bond. Carelessness, lip-
ervice and eye-service, "soldiering," and general discontent
ave so undermined the honesty and the efficiency of the
verage workman that the employer knows not upon whom
e can rely.

Frequently, too, he finds that he has to deal with a proces-
ıon of workers that constantly baffles permanent organiza-
ıon. Many of them have no family connections or other sen-
ımental ties to hold them; no property or other financial
ıterests to anchor them to a given locality and hence they
re easily attracted to "fresh fields and pastures new." A
ıbor turnover of several hundred per cent, including "quits,"
lay-offs," and "discharges," reckoned on the basis of the num-
er hired throughout the year in proportion to the average
ɔrce maintained, has not been unheard of. The Ford Motor
Company, the year before it introduced its employment de-
ıartment, is said to have hired 54,000 men in order to keep
n average force of 13,000.[2] Fifty-seven Detroit plants re-

[1] Boston *Transcript*, May 25, 1923, p. 16.
[2] Rumley, "Mr. Ford's Plan to Share Profits," *World's Work* (Garden City,
. Y.), vol. xxvii (1916), p. 665.

ported a turnover in 1917 of over 252 per cent.[1] Figures gathered in part by the United States Bureau of Labor Statistics for a varying number of establishments—certainly not the worst-managed or they could not have supplied such data—for the decade 1910-19, showed a rate of turnover equivalent to taking on a completely new force each year. The trouble was, of course, particularly flagrant during the war-period, when both military mobilization and rapidly changing wage-rates conspired to destroy stability. But in some industries, such as automobile manufacture, slaughtering and meat packing, leather and rubber goods, and many of the metal trades, it is high at any time.[2] A common remark among Maine lumbermen is that they have to keep three gangs in tow all the time: one going, one on the job, and one coming. And the average cost of hiring and breaking in a new employee in place of an old one is variously estimated by industrial managers at from $30 to $200.[3]

Added to this is the fact that the employer in many industries no longer deals with individual workmen or even with groups of his own employees, but must treat with labor unions represented by outsiders.

To carry on a business enterprise under such conditions is little short of a fine art. Many of our great "captains of industry"—the economic heroes of the present day—have devoted themselves chiefly to the financial and commercial phases of business. But others (and their number is probably destined to grow), like Philip Armour and Andrew Carnegie of a former generation, and Charles M. Schwab, George Goethals, Henry Ford, and Thomas Mitten, have owed a large part of their success to the insight and discretion they have shown in the choice of their subordinates, and to their ability

[1] Fisher, Boyd, "Methods of Reducing the Labor Turnover," *Annals of the American Academy,* vol. lxv (1916), p. 144; Bloomfield, D., *Labor Maintenance* (New York, 1920), pp. 4-7.

[2] Brissenden and Frankel, *Labor Turnover in Industry* (New York, 1922), chap. iv; Industrial Research Department, *Four Years of Labor Mobility* (1921-24), Supplement to *Annals,* vol. cxix (1925), esp. pp. 7-17.

[3] Alexander, Magnus, "Hiring and Firing," *Annals,* vol. lxv (1916), p. 135; Bloomfield, *op. cit.,* p. 6.

o manage men. A proper labor policy is now coming to be egarded as the most vital element in business management. Many and varied methods and devices have been tried by mployers in the effort to solve the problem. So far as possi-le, particularly in America, they have sought to diminish heir dependence upon labor—especially skilled labor—by he introduction of more and more machinery and the simpli-ication of processes. One of the attractive features recently laimed for the securities of a great power company was that t took only six men to operate the plant, and that the danger f labor troubles was, therefore, reduced to a minimum. The reat development of conveying machinery for handling mate-ials and products in recent years is the outcome of immigra-ion restriction and a shortage even of unskilled labor.

When it comes to getting the average workman to exert imself and to put forth his supposed best, reliance has so ar been placed mainly upon the appeal to financial motives—he fear of fine or discharge and the hope of reward and ad-vancement. There are rare individuals, it is true, who are susceptible to a higher motive, who love their work and re-oice in accomplishment for its own sake—men who, like the Greek artisans of the age of Pericles, or the craftsmen build-ng mediæval cathedrals, are proud to be a part of a large undertaking, and who do not measure their obligations by he clock or the pay-envelope. But for the ordinary man and he humdrum tasks of everyday life, some more tangible in-entive is necessary.

The old driving system, suggestive of slavery, which de-pended so much upon the loud voice and domineering per-sonality of the boss, survived until recently in railway con-struction and maintenance, in excavating operations, and in other work where an abundant supply of cheap immigrant labor could be drawn upon. But it is less common, because less successful, during a period of prosperity and when there is a relative labor shortage. Profit-sharing, pension systems, relief associations, group insurance, company houses, and welfare work of various kinds have been introduced by many concerns to improve discipline and to cut down labor turn-

over. But they have only an indirect or diffused effect upon output itself.

To secure greater efficiency in the individual man, greater care is being exercised in the selection of men in the first place, and in their assignment to jobs. What since Frederick W. Taylor has been called scientific management includes all this and more careful instruction and supervision. Chief reliance, however, has been placed by many employers upon such manipulation of the method of wage-payment that the workman will be convinced of an identity of interests, and will put forth his utmost effort. Piece-wages have been substituted for time-wages wherever the work permits; and, usually upon the basis of motion-study and time-study, different types of bonuses have been tried.

Finally, the employer or employers as groups have pursued different courses in dealing with the collective demands and manifestations of their employees. Sometimes, particularly during and since the war-period, they have attempted to create rival attractions and to keep the thing within bounds, by forming "company unions," or by granting representation to their own workmen through shop-committees and works-councils. Sometimes they have attempted to match the structure and scope of the unions with employers' associations, in order to deal with labor on equal terms both economically and politically. Certain of these associations, such as the Newspaper Publishers, the Bottle Manufacturers, and the Stove Founders (as well as many individual firms), have seen fit to bargain with the respective unions playing opposite them, and to enter into stable collective agreements. Others, like the National Metal Trades Association, the National Erectors, the National Founders, and the National Association of Manufacturers, have been distinctly anti-union or "open shop" in their methods.[1] Finally there is the League

[1] Cf. Bonnett, *Employers' Associations in the United States* (New York), 1922), *passim;* Barnett, "Systems of Collective Bargaining," *Quarterly Journal of Economics,* vol. xxvi (1912), p. 425, *et seq.;* Wolman, "Collective Bargaining in the Glass Bottle Industry," *American Economic Review,* vol. vi (1916), p. 549, *et seq.;* Stecker, Margaret, "The National Founders Association," *Quarterly Journal of Economics,* vol. xxx (1916), p. 352, *et seq.*

r Industrial Rights in the United States, which, like the iberty and Property Defense League in Great Britain, is ganized to check, if not to thwart, the efforts of the unions y legal and political means.

3. THE PUBLIC INTEREST

The public was all too long left out of consideration in labor isputes. Of late it has itself shown an increasing disposition assert its rights and interests as "the party of the third art."

Most immediately, the public is interested as a consumer. t is ostensibly for the consumer that industry is undertaken nd carried on; and, provided he pays a fair price, the con-umer considers himself entitled to regular and efficient serv-ce. Our present-day commercial system permits of much pecialization and territorial division of labor, so that each art of the economic and social organism is dependent upon ne proper functioning of every other. "We are members ne of another." Almost all industries have in some degree public service character; and to have a threatened or actual nterruption of some of the more vitally important, like the ailways or coal mining, while labor and management engage n an endurance test, causes grave concern to the consumer, s well as to many other lines of business. That was the ay the American people felt when a general railway strike as imminent in 1916; and the way the British public felt n the face of a coal strike in August, 1925, and when it actu-lly happened in May, 1926.

Fortunately, the increased power of substitution (trucks nstead of freight trains, or oil and bituminous in place of nthracite) makes the hardship somewhat less severe. But ow intolerable is the situation when two or more of these ervices combine, as they did for a short interval during the ecent strike of railwaymen and other transport workers in ympathy with the miners in Great Britain, and all suspend t once!

Fortunately, too, the pressure of public opinion has often revented serious trouble when it came to a "show-down."

Or some other way out of the difficulty has been found, such as the Adamson Eight-hour Act for the railroad workers of the United States in 1916, or Mr. Baldwin's subsidy and inquiry commission which deferred the evil day in England in the fall of 1925.

But these are not always regarded as very cheap or creditable performances, and the sense of insecurity remains. Hence the search for some machinery, judicial or otherwise, to take the place of the outgrown wager of battle, and to protect the public interest. Considering that strikes still occur in Australasia where they have long had compulsory arbitration, and that both the Canadian Industrial Disputes Investigation plan and the Kansas Industrial Court, after somewhat chequered careers, have been declared unconstitutional (in part, if not as a whole) by the highest tribunals, it appears that the right solution has not yet been found.[1]

From this same standpoint of service and from that of economy, the public is interested in having industries made and kept efficient. Sleepy management or restriction of output, either by a capitalistic monopoly or by the members of a labor union, are felt to be equally worthy of public condemnation. The right to enter upon a business or to learn a job, must, so far as possible, be protected. Industrial and technical education have been promoted in order to make up for the deficiences of shop-training, and to insure progress in invention.

The government, as the agent of the public, is the guardian of the peace. And strike conditions in industry, with all the misunderstanding, suspicion, excitement, and idleness usually attending them, furnish the "makings" of a good deal of disorder, if not actual mob violence. The line between peaceful persuasion and what constitutes intimidation is a hard one to draw. In America we have left the protection of property and the defense of rights in such cases too largely in the hands of the interested participants themselves. Overzealous private

[1] One of the latest plans, although not a new one, in England is the recruiting of volunteers to man public service industries in times of emergency. (New York *Times*, October 12, 1925, p. 23; New York *Herald-Tribune*, May 3, 1926, p. 1, etc.)

ards and detectives, some of them often near-criminals, are red by employers whose workmen are on strike, and are ely to try to show their usefulness and the need for their ntinued presence in very aggravating ways. Even the po-e or state constabulary and the old state militia, acting pposedly as the representatives of the public in maintain-g law and order, have not always been free from personal imus and class bias.[1] The question of when and how to se United States troops during industrial disputes has been ne of the most delicate and distressing that our chief execu-ves have had to deal with.[2] Only as an adequate and im-artial police force, backed up by an even-handed adminis-ation of justice in the courts, is provided, can we expect to olish violence and unfair tactics during labor troubles.

Finally, society or the public is concerned about the effects hich modern industry is having upon the health, safety, orals, and general welfare of the people who engage in it, nd upon the interests of posterity. This is especially the tizen's viewpoint. A stunted and anæmic population is jectionable for other than military reasons, although that , of course, included. It needs the broader and longer per-pective of society as a group to appreciate and to conserve ne human resources of the country, and to protect from armful conditions of labor those who are unable to protect nemselves. Marred and mutilated, as it frequently is, in nning the gauntlet of rival interests, repeatedly checked in s growth by the reactionary decisions of the courts, and andicapped in its enforcement by imperfect administrative achinery, our expanding code of labor legislation—restricting ild labor, regulating the length of the working day, promot-g more regular employment, setting up standards of safety nd sanitation, and providing insurance for the injured or eir dependents is the chief agency of control over the labor

[1] See, for example, the Colorado labor troubles of 1904 (Commissioner of bor, *Report on Labor Disturbances in Colorado* (Washington, 1905), esp. ap. xxviii); and the Steel Strike of 1919 in Pennsylvania.

[2] Cf. Berman, E., *Industrial Disputes and the President of the United States* *olumbia University Studies,* vol. cxi (1924)), pp. 20, *et seq.,* 59, *et seq.,* 257, 2-262.

problem from the point of view of the public, if not from all points of view.

4. WHAT DOES LABOR WANT?

Our point of approach to the problem in these pages, however, is to be primarily that of the workingman himself—to find out what he is thinking and feeling and planning, and to determine what significance this has for all parties involved. Here there is such a confusion of voices that it is impossible to render even the general burden of their cry in a single sentence. It will doubtless appear in due season. The workers agree, for the most part, in being dissatisfied with the conditions under which they work, and with the present distribution of income, wealth, and opportunity. They wish to obtain what they consider to be the full and rightful value of their labor and to maintain their health, independence, and standard of living. They want greater security of employment and of income and more leisure for the enjoyment of life. They wish to be enabled to provide for those vicissitudes and emergencies to which their lot particularly subjects them. Briefly, they wish a chance for self-realization—for a larger, richer life.

Yet the workers are far from unanimity as to the policies and methods by which they hope to realize these ideals and ambitions. Some—it would appear a decreasing number—still cherish the expectation of individual success and advancement, without the aid of any form of organization or group action. But even though only a minority as yet really belong to any such organization, there is a growing conviction that the unassisted individual is unable to cope with the modern capitalistic system, or to protect himself against exploitation, to say nothing about improving his economic and social position. A phrase that frequently appears in their constitutions and platforms is "that the salvation of the workers must be achieved by the workers themselves." Evolution must be guided and supplemented by effort. Hence the "Labor Movement" in its various branches.

To distinguish clearly the different types of collective action

vhich the workers propose, and the weapons they seek to mploy, is not a simple task. Broadly, they divide into moder- tes and radicals, with many shades between. Those who ely upon unionism of the so-called "business" type, while hey refrain from setting any definite goal for their efforts, elieve in being practical men, getting all they can here and ow through collective bargaining with employers. These ame people usually believe that it is legitimate and often ecessary to participate in politics, in order to remove legal andicaps from which they suffer as unionists, and to secure he passage of remedial legislation.

The radicals or extremists, on the other hand, despair of ecuring any final or satisfactory redress for their grievances nder the present mode of conducting business; and are striv- ng with differing degrees of impatience and haste toward a ollective commonwealth in which industry shall be publicly wned and operated. The most sweet and reasonable of this rand division—so much so that their ultimate object of omplete collectivism is often lost sight of even by them- elves—are the co-operative societies, which have had such large development in Great Britain. Like the unions they re economic in their methods, and have substantial gains to how from their efforts in the immediate present. They de- end upon the contagion of their successful example to con- vince the whole world of the blessings of co-operation.

The political socialists, on the contrary, are organized into arties, and are seeking to increase their representation in egislative and other governmental bodies, until finally, when he control shall have fallen into their hands, they will use he power of the government to take over and socialize ndustry.

The syndicalists, now largely absorbed by the so-called 'communists," are a faction—formerly represented in the Jnited States by the Industrial Workers of the World and aving some following among the British miners, particularly n South Wales—who are unwilling to wait for the slow rocesses of "parliamentarism," and who wish to catch some

nearer way like the general strike, "sabotage," and the "dictatorship of the proletariat," to bring about the change.[1]

Finally, there is a group of persuasive people called "guild socialists," who have attracted much attention in Great Britain during the past dozen years, and who have had their counterpart in the advocates of the "Plumb plan" for railroad management in the United States. They believe in using the State or the government only as a kind of unifying factor and as a protection to the consumer, and in placing the actual administration of socially owned industries in the hands of the workers engaged in each.

5. BRITISH AND AMERICAN

The common soil from which have sprung labor's discontent and all branches of the labor movement is the capitalistic system of production ushered in by the Industrial Revolution and now generally prevailing throughout the civilized world. As compared with previous modes of creating wealth and satisfying wants, capitalism represents a more specialized and intensive use of resources, both natural and human. In its commercial form, capital has enabled the modern merchant to bargain more effectively and to secure profits by taking advantage of differences of time and place. Through the same agency the enterpriser or captain of industry, who is himself still largely a merchant, is able to win most of the gains of large-scale production and sale. The technical form or function of capital, in turn, often regarded as more characteristic of the new system, has made possible not only the more effective direction of human agencies already in use, but, through a combination of wheels, belts, pulleys, and levers, has likewise harnessed great natural forces—water-power, heat, electricity—which had hitherto lain dormant and useless. Its effect upon the real wealth and productive efficiency of the world is comparable to the discovery and opening up of rich new continents. And the question of the ownership and control of capital, and of the natural

[1] These people have been given an amount of attention far beyond their numerical importance, and will not be dealt with separately in the following chapters.

esources of which it makes use, is, by all odds, the most ital and fundamental problem of modern economic life.

The causes of this transformation and the reasons why it ccurred first in England in the last part of the eighteenth entury fall broadly under the inclusive though often mean- ngless phrase of "demand and supply." Population was rowing and the progress of the Industrial Revolution still urther stimulated its growth.[1] Partly because of her geo- raphical position and her excellent harbors, partly through he early establishment of internal peace and security in a eriod when Continental countries were still engaged in war- are, partly through her far-flung colonial empire and her avigation and commercial policies, England, by the begin- ing of the eighteenth century, had attained a naval and ommercial supremacy hitherto unsurpassed. And it was he call of this market both at home and abroad that was hiefly responsible for the introduction of the factory system. Capital, accumulated from the profits of trade and, once the tart was made, from industry itself, was ready to finance he new processes, and science and technology sprang to the id of the business man.

But wherever and whenever capitalistic production has een introduced—whether in England in the last quarter of he eighteenth century, in New England in the first quarter f the nineteenth, in France after 1830, in Germany after 850 and mainly after 1871, in the Southern States of America within the past forty years, or still more recently in Japan nd China—there has always and everywhere been a great imilarity in the conditions precedent, in the sources of capital nd of labor supply, in the effects upon the working and living nvironment, and, not least of all, in the reactions of labor nd of the public to it. One might almost rely with confi- dence upon the study of a single country, or even of a single ndustry within that country, to find in epitome the whole

[1] Cf. Sombart, W., *Der Moderne Kapitalismus* (Leipzig, 1902), vol. i, p. 420; Young, Arthur, *Tour Through the North of England, 1770*, pp. 557, 561; Cunningham, W., *Growth of English Industry and Commerce, Modern Times* (Cambridge, 1912), vol. iii, pp. 704-705, 743.

history of the Industrial Revolution and of the labor movement.

Yet because in Great Britain that history has been the longest, and because the labor movement in all or almost all its various branches has there reached its highest development, it is especially valuable to trace the course of events in that country and to compare them with the history and conditions of labor in the United States. We may not be able to subscribe to the statement made by a recent writer upon the British movement that "what British labor does in one decade will be done in America the next." But certainly the parallelism has been sufficiently close hitherto to make it interesting to follow, even though it affords no basis for prophecy. It is healthful also for Americans to recognize that, chiefly through different forms of collective action, Great Britain has made more progress than we in checking the evil tendencies of modern industry.

The problem, therefore, is to find the root causes of discontent in present-day industrial society; to determine how far the complaints and the claims of labor are justified; to trace the development of the different branches of the labor movement and their relationships one with another; and in all significant respects, to note how British conditions and methods compare with American.

CHAPTER II

THE ORIGIN AND SOURCES OF A WAGE-WORKING CLASS

1. "THE ANCIENT LOWLY"

THE labor movement, as we know it to-day, is the resultant of a relatively high degree of personal and political freedom, on the one hand, and a growing consciousness of economic dependence on the other hand. It implies that all grades and classes in the community have the right to reflect, with as much intelligence as they can summon, upon their social and economic conditions; to discuss openly and fully their grievances and problems; and to associate themselves together for common ends. Before the law there are to be no classes. But the movement implies also that mere political equality has not proved as satisfying as it was hoped to be; and that the confidence of the average man in the possibility of individual success has somewhat waned. Collective methods were, for the most part, not resorted to until individual methods had failed, or their limitations had been recognized. Advancement as an individual, to be sure, is still eagerly sought after; but the belated organization of labor in America as in Great Britain, and the rise of radical groups, are testimony that wage-labor is now generally regarded as something other than a temporary and transitional stage on the road from poverty to riches and power. Easy as it may be to move from place to place, from employer to employer, and even from occupation to occupation, the position of laborer for the great mass of those who are born to it, and for their children after them, is at present looked upon as a fairly permanent status. Even those active and ambitious spirits who, under the open conditions prevailing in the United States, were formerly able to become bosses or capitalists, or

at least independent farmers, have now, many of them, cast in their lot with the workers, and become leaders of the organized protest against bad working conditions.

The workers under previous labor systems, however, had much more of status to contend with, and much less opportunity to make their wants and wishes known. Their position was in the main fixed by custom, law, and the sanctions of religion, and was apparently accepted unquestioningly as a matter of right or inheritance by both superiors and inferiors. History offers no striking example, unless it be the flight of the Israelites from Egypt, of a successful revolt by either slaves or serfs. The odds were commonly too great and the degree of unity and organization too slight.

The first labor system was the *family or clan system,* which has persisted in considerably diminished importance down to the present time. In the nomadic, pastoral life of primitive peoples, the women, in addition to their menial household tasks (the group moved when the dirt and vermin became unbearable), carried on the beginnings of plant culture in the intervals of settled life between migrations.[1] The younger men yielded service, economic or military, to the patriarch or chieftain as a matter of filial obligation or, as Jacob did, for the hand of his daughters in marriage. Ideally, the system was highly personal and prompted by affection or a sense of duty that should have made the yoke easy and the burden light.

War and conquest brought the system of *slavery.* As soon as life became settled enough to make it possible to use forced labor, captives were kept alive instead of being exterminated and perhaps eaten. If they could not be used by the captor, a market could be found where they would bring a price worth the trouble. The system was particularly adapted to an extensive form of agriculture, where no great degree of skill was required and where the gang type of supervision could be used. (It was a unique situation which led the Romans to make Greek slaves their scribes and the

[1] Cf. Gras, N. S. B., *Introduction to Economic History* (New York, 1922), pp. 15, 34-35, 37-42.

eachers of their children.) Slaves, however, constituted a onsiderable part of the population of ancient cities, and were vidently used for many forms of industrial as well as farm ork. The system, in addition to its defects in point of effi- iency, was usually not self-recruiting, so that when warfare eased to bring in a new supply, and when more intelligence as demanded from the worker, it broke down and was trans- ormed usually into serfdom or even into free labor.[1]

In northern Europe, *serfdom,* and the feudal system gen- rally, had a double origin from the old village community nd from military necessity. It furnished the historical back- ground or basis of the British agricultural economy as we ind it before and during the Industrial Revolution; and its letails will be sufficiently described below. It offered to the vorker a considerably greater amount of personal freedom han did slavery, although he was still attached to a certain ord or estate and had prescribed duties.[2]

Even in ancient times, however, and all through the Middle Ages there was evidently a *wage-earning class,* comparable to hat which now exists. In all times there have been forms of labor which, either because of their seasonal or temporary haracter, or because of the skill and high degree of responsi- bility involved, could be more satisfactorily performed by a free, mobile group of workers than by the listless efforts of slaves or serfs. Bible records and injunctions indicate the existence of such a class among the Hebrews. It is estimated hat, in spite of the large number of slaves in Athens, about one-half of the laboring population of the city consisted of wage-earners, and, as already suggested, the great public works of Pericles were chiefly carried out with the aid of this class.[3] In the feudal household there were apparently all grades of service between slavery and serfdom, and between serfdom and freedom. Besides a favored class of serfs, to whom, along with certain hereditary privileges, were dele-

[1] Cf. Ingram, *History of Slavery and Serfdom* (London, 1895), esp. chaps. and iv; Cairnes, *The Slave Power* (New York, 1862), chap. ii.

[2] *Infra,* p. 20. Cf. Ingram, *op. cit.,* chap. v.

[3] Cunningham, *Western Civilization, Ancient Times* (Cambridge, 1898), pp. 108-112.

gated such important functions as cooking, shoe-making, gardening, and carpentry, there were often free artisans who carried on their trades either temporarily or permanently within the protecting walls of the castle, under something resembling a wage-contract. These, along with runaway serfs, doubtless furnished the nucleus of the guilds of handicraftsmen in the mediæval towns.[1]

2. THE AGRICULTURAL CONTINGENT

Since the industrial proletariat in all great capitalistic countries has been largely recruited from a previously existing agricultural proletariat, it is necessary to inquire briefly into the origin of the agricultural laborer.

Life upon the mediæval manor was not without its attractive and almost idyllic features. Analysis of the rights remaining to the serfs or peasants and of the duties resting upon the feudal lord has convinced the most careful scholars that the system had a double origin. Certain features harked back to the Teutonic village community, with its allodial system of land tenure based upon clan or blood relationship. The other part, superimposed upon the first, was a military or quasi-military institution, growing out of the unsettled conditions of the time and the need of protection against invaders.[2] Whatever may have been the productiveness or lack of productiveness of the system, there is ample evidence of the advantages of the rights in the land which still belonged to the villagers. The ability to keep cows, sheep, pigs, and geese upon the common, and to obtain their fuel from the same source, added much to the comfort and the independence of their lives. "As yet," Hasbach declares, "there was no proletarian class solely dependent on wages and in particular on money-wages, and expecting to leave its children in the same position. The small man had not yet lost his hope of rising in the world." [3]

[1] Cf. Levasseur, E., *Histoire des classes ouvrières et de l'industrie en France, avant 1789* (Paris, 1900), vol. i, pp. 223, 226, 234, etc.; Hasbach, *Agricultural Labourer* (London, 1908), p. 7.

[2] Vinogradoff, *Villienage in England* (Oxford, 1892), esp. pp. 397-409.

[3] Hasbach, *op. cit.*, p. 103.

But land-hunger and the spirit of capitalism, with efficiency as their watchword, came in to disturb and ultimately to destroy this quiet, customary economy. The lords shuffled off most of their duties, while retaining and even increasing their powers and privileges. Many of the small gentry and "unthrifty gentlemen," ruined by extravagance, were supplanted by a new class, composed in large measure of men who had made their fortunes in other pursuits, eager for the power and prestige attending landed property, and imbued very often with the commercial rather than the paternal spirit. Farming for the market took the place of subsistence farming. The old open-field system seemed antiquated; farms were consolidated, and the commons were enclosed.[1]

The enclosures made in England in the eighteenth and the first half of the nineteenth centuries were largely accomplished through special acts of Parliament. And since Parliament was then in the control of the landed aristocracy, and since the commissioners appointed to carry out enclosures were commonly of the same class, or subservient to it, it can readily be conjectured that the chances for a humble villager, unable to read and write, and without a vote, to receive fair treatment, were remote indeed.

Arthur Young, who had himself once been an ardent advocate of enclosures, declared in 1801 that "by nineteen out of twenty Enclosure Bills the poor are injured, and some grossly injured."[2] And Mr. and Mrs. Hammond conclude their chapter upon "The Village after Enclosure" with these burning words:

21813

> The enclosures created a new organization of classes. The peasant with rights and a status, with a share in the fortunes and government of his village, standing in rags, but standing on his feet, makes way for the laborer with no corporate rights to defend, no property to cherish, no ambition to pursue, bent beneath the fear of his masters and the weight of a future without hope.[3]

[1] Lipson, *Economic History of England* (London, 1915), p. 100, *et seq.*; Cunningham, *Growth*, vol. ii, p. 553, *et seq.*; Gonner, *Common Land and Inclosure* (London, 1912), p. 368, *et seq.*

[2] Quoted in Hammond, J. L. and B., *The Village Labourer, 1760-1832* (London, 1912), p. 83.

[3] *Op. cit.*, p. 105. Cf. Hasbach, *op. cit.*, pp. 99-102, 147, *et seq.*

The rural exodus and the conversion of agricultural laborers into industrial laborers was logically the next step. It was not, as Professor Gonner seems to have supposed, wholly a question of the relative demand for labor in country and city. Neither can the movement be ascribed chiefly to the perversity and the vanity of the rural population, struck by the glamor of the city streets. Rather, it was the dullness, drudgery, and hopelessness of country life itself. Alert and energetic young persons could not be expected then—cannot be expected now—to choose the hard, seasonal, low-paid labor of the farm, with its excessively long hours and few holidays, when there is little prospect of advancement or of eventually getting land to cultivate on their own account. By the enclosures, that prospect was largely removed from the poorer people of the English village, and their attachment to the soil forever broken.[1] The decay of the handicraft and domestic system before the competition of the factories completed the process and compelled the village artisans to follow their trades into the towns.

Again parallel developments are to be found in other industrial countries. The system of land-ownership has given rise to an agricultural proletariat, and this has been an important source of new labor in the manufacturing, mining and commercial centres. The effect of the Stein-Hardenberg reforms in Prussia early in the nineteenth century, although they were distinctly liberal in their object, was none the less probably to concentrate rather than to diffuse land ownership.[2] Later efforts to promote peasant proprietorship, notably since 1886 under the Settlement Commission, have been somewhat more successful; and the greater part of Germany

[1] The British Land Enquiry Committee in its report of 1913 declared that "the lack of outlook and prospects for the future" is still one of the dominant causes for the continued rural exodus. There was, they show, a decline of 27 per cent in the number of agricultural laborers in England and Wales between the years 1881 and 1901. (*Report,* 5th ed., 1913, pp. 34, 154, *et seq.*)

[2] Kauffman, Georg, *Politische Geschichte Deutschlands in nuenzehnten Jahrhundert* (Berlin, 1900), pp. 43-57; Secley, *Life and Times of Stein* (Boston, 1879), p. 287, *et seq.;* Howard, *Recent Industrial Progress in Germany* (Boston, 1907), pp. 19, *et seq.,* 67, *et seq.*

is covered with small holdings. The great exception before the War was, of course, in the eastern provinces of Prussia, where the "Junkers" controlled large estates cultivated with the aid of hired laborers. It is not strange that in this part of the country the problem of the rural exodus has been the greatest, and that Poles, West Prussians, and East Prussians were found to have migrated in large numbers to the great industrial district of Westphalia and the Rhine Province.[1]

In France, on the contrary, where even before the French Revolution of 1789, it is estimated that between one-fourth and one-third of the land belonged to the peasants, and where more than half of the farming land is now cultivated by the owners, there has been such a degree of thrift, independence, and stability of population that no great proletarian class has developed in the rural districts.[2]

The connection between the land problem and the labor problem in the United States has already been referred to. Here, we have largely escaped the heritage of the old feudal system, and in the North and West relatively small farms cultivated by the owner have been the prevailing type. Down to a recent period, the abundance of land made the young men of the country unwilling to devote themselves for any long interval to factory labor. Finding the rocky hills of New England unfruitful and incapable of offering a means of support or a proper sphere for their efforts, they were likely very soon to leave the shops with what little they had accumulated and "go West." The farmers' daughters were somewhat less mobile and hence more amenable to factory employment. Marriage, however, and the high American standard which objects to wage-earning by married women, often made their terms equally short. None the less, down to about 1850, when immigration came to their relief, it was with this scanty and changeable labor-supply, largely boys

[1] Cf. Sombart, *Volkswirtschaft,* pp. 326, 517; *Statistisches Jahrbuch für den preussischen Staat,* vol. xi (1913), pp. 108-111, also pp. 26-29; Dawson, *Modern Germany,* pp. 257, *et seq.,* 266, 270, 279-285.

[2] Lecky, *French Revolution* (New York, 1904), p. 96; Mayo-Smith, *Statistics and Economics* (New York, 1899), pp. 138-139, etc.

and girls, that American manufacturers had to operate their mills.[1] In the Southern cotton mills, established since 1880, the labor supply, in the absence of immigrants, has been drawn principally from that class of mountaineers and tenant farmers who at an earlier period had been crowded back by the plantation system, and as "poor white trash" had been eking out a slender and uneventful existence upon barren hillsides.[2] The migration of the negroes which occurred especially in 1916-17 and again in 1922, and which has practically doubled the negro population in many Northern industrial communities, is also the product of bad agricultural conditions in the South, and the call of active manufacturing enterprises in the North.[3]

3. JOURNEYMEN AND APPRENTICES

Another important element in the new working class evolved from within the old handicraft or guild system which had prevailed throughout the cities and towns of Europe during the Middle Ages. That system had been founded upon a local market. Under it the skill and experience of the workman counted for more than capital or enterprise, so that typically the craftsman was capitalist, workman, and merchant, all in one. He felt a pride in his handiwork, and, however humble its purpose, imparted to it an individuality such as we to-day associate only with works of art. The régime of status gave to him a position of security and of assured competence that freed him from nervous strain and from any inordinate ambition to get ahead of his fellows and to rise above his class. For the protection of their trades the craftsmen were early organized into guilds, chartered and granted certain privileges by governmental authority. In England such organizations date from the twelfth century;

[1] Martineau, Harriet, *Society in America* (New York, 1837), vol. ii, pp. 54-55; Copeland, *Cotton Manufacturing*, p. 12, *et seq.;* Abbott, Edith, *Women in Industry* (New York, 1913), chaps. iv and vi.

[2] Thompson, H., *From Cotton Field to Cotton Mill* (New York, 1906), p. 113, *et seq.;* Copeland, *op. cit.*, p. 39, *et seq.*

[3] Harris, "Negro Migration to the North," *Current History*, vol. xx (1924), p. 921; Walrond, "The Negro Exodus," *ibid.*, vol. xviii (1923), pp. 942-944.

and by the thirteenth century they were general in all branches of manufacture.[1]

There seems little question as to the desirability and utility of the guilds at the time of their origin and for a considerable period thereafter. Combination and control, even though accompanied by abuses, are better than chaos and continual disorder. In a day when governments were weak and deficient in administrative machinery, the guilds policed their respective trades and guarded the interests of both workman and consumer. They placed limitations upon the entrance to their trades; but there were defended because, on the one hand, they protected the apprentice against superficial and inadequate instruction, and, on the other hand, safeguarded the customer against fraud and bad workmanship. They were at least an open aristocracy, in which the distinctions made between masters, journeymen, and apprentices were chiefly based upon age and experience. Once admitted to apprenticeship, a boy lived in the household of his master on terms of social equality. Having served his allotted period, in England usually seven years, and having conformed to certain other reasonable requirements, he became a journeyman. And every journeyman, in turn, could hope, as soon as he had acquired the requisite maturity, reputation, and relatively small capital, to become a master-workman with apprentices and journeymen under him.[2]

But the guilds outlived their usefulness. National governments became more powerful and more capable of protecting the liberties of the people and the conduct of trade. The local economy was outgrown. Industrial progress demanded that restrictions should be removed, special privilege abolished, trade and the choice of an occupation left free and open to all. But the guilds, thus threatened by competition, clung all the more tenaciously to their vested interests, increased the strictness of their requirements for admission, and for a long period defied all tendencies toward change. Parentage

[1] Levasseur, *Histoire, avant 1789,* vol. i, pp. 263-265; vol. ii, p. 90. *et seq.;* Ashley, W. J., *Economic History,* vol. i, pp. 76-77.

[2] Cunningham, *Growth,* vol. i, p. 349, *et seq.;* Ashley, *op. cit.,* pp. 92-96.

was set up as a qualification for apprenticeship. The property requirement was considerably enhanced. The number of apprentices which a craftsman was allowed to take was more severely limited; and the length of the apprenticeship, already great, was still further extended. Fees and expenses attending final admission to the craft were raised, sometimes to prohibitive figures.[1] And the efforts of Elizabethan statesmen, through the Statute of Artificers (1562) and other measures, to restrain them, were largely unavailing.[2]

Economic forces eventually succeeded in breaking down guild monopoly where governmental authority had failed. Even in the fourteenth century, the regulations of the guilds had been largely evaded by journeymen, who worked secretly in chambers or who migrated to the suburbs and villages to escape their control. In the sixteenth century the suburbs of Paris and of London were important centers of industry.[3] Doubtless the movement continued with increased vigor as the national governments became stronger and the need of municipal protection decreased, and as the guilds tried to reassert or even to increase their power. The growth of trade and the migration of population, together with the disturbances attending the Civil War in England in the middle of the seventeenth century, interfered with the strict enforcement of both guild rules and public statutes. After the Restoration the rising commercial spirit deprived the guilds of the active support of both the Crown and the municipal authorities. The courts, while somewhat divided and rather equivocal in their decisions, tended more and more to hold that freedom in the exercise of a trade, whether in the villages, in the rising market towns, or in the corporate towns themselves, was a common-law right.[4] So, as time passed the seats of industry shifted, new towns arose, large-scale produc-

[1] Cf. Unwin, George, *Industrial Organization in the 16th and 17th Centuries* (Oxford, 1904), p. 48; Dunlop and Denman, *English Apprenticeship and Child Labor* (New York, 1912), pp. 43, *et seq.*, 124, *et seq.*, 137.

[2] Cunningham, *Growth,* vol. ii, pp. 27, *et seq.*, 34, *et seq.;* Unwin, *op. cit.,* p. 137, *et seq.*

[3] Unwin, *Industrial Organization,* pp. 55, 86; Dunlop, *op. cit.,* pp. 126-127.

[4] Dunlop, *op. cit.,* p. 119, *et. seq.;* Cunningham, *Growth,* vol. ii, p. 203, *et seq.*

tion, which had been carried on in some districts of England since the fourteenth century, gradually expanded; and, with the coming of the Industrial Revolution itself, the advantages of steam-driven machinery so far outweighed the traditional skill and prerogatives of the handicraftsman that, after a pathetic struggle, he was supplanted in practically all trades.[1]

But it must not be supposed that all the members of the craft guilds remained powerless and idle in gradually increasing misery and depression while these disintegrating forces were at work upon their noble edifice of privilege. Rather, many of them knew how to adapt themselves to conditions and to use the waning power of their organizations for their own advantage and profit. The rising importance of the trading function, and the increased advantage which it gave to the possession of capital, played into the hands of those already in the saddle, and resulted in a class of merchant-manufacturers that dominated everything. Under the so-called domestic system the craftsman might continue to work in his own home or shop; but, instead of being the self-sufficing industrial unit that he once had been, he was now dependent upon the merchant for his materials. When his work upon the product was completed, he surrendered it for what amounted to a piece-wage into the merchant's hands for further processes or for sale. Below him, particularly as the work was more and more assembled into shops and a system of division of labor was worked out, grew up a mass of low-paid apprentices, who were not instructed in the trade as a whole and who could never hope to become either journeymen or masters. This system began to appear in England as early as the fourteenth century, and was the prevailing type in the transition period before the Industrial Revolution.[2]

[1] Cunningham, *Growth*, vol. i, pp. 436, *et seq.*, 520, *et seq.*; vol. ii p. 496, *et seq.*

[2] The merchant-manufacturing class evolved from three distinguishable sources: (1) from within the craft itself, as in the Goldsmiths' Company of London and the Merchant Tailors; (2) by one of the crafts in a series, most often that engaged in the finishing process, obtaining supremacy over the others; and (3) by the rise of a class of merchant-employers outside any craft and devoting themselves wholly to commercial pursuits. (Cf. Unwin, *Industrial Organization*, pp. 22, *et seq.*, 28, *et seq.*, 41-46.)

The result was, as Professor Unwin states it, that "there grew up in every industrial center in western Europe, from the middle of the fourteenth century onward, a body of workmen in every craft who had no prospect before them but that of remaining journeymen all their lives." [1]

4. IMMIGRANTS

Emigration and immigration, from a world standpoint, represent only a transfer of population from one country to another, and not any net addition to it. But the people who migrate are largely working people; and a study of the motives which prompt them gives an insight into the economic conditions of both the country of origin and that of destination. Gross immigration to the United States for the period of record, 1820 to 1925, has amounted to more than 36,000,000 persons; [2] and in many of our leading industries immigrants have for some time constituted half of the working force. Their presence has materially affected almost every phase of American life, and most of all labor conditions and the labor movement. There is ample ground, therefore, for giving to immigration a co-ordinate place among the sources of the wage-earning class.

The phenomenon of the migration of individuals or family groups for purposes of settlement is almost peculiar to the modern era of commercial expansion, improved communication, and cosmopolitanism. The restrictions set by law and custom during the Middle Ages upon movement from place to place, even within the same country, were usually enough to make people stay at home. When everyone was born into a certain place and rank, and was supposed to remain there

[1] *Op. cit.*, p. 48.

[2] The net immigration over a period of years would, of course, be considerably less, because, particularly since the "new" immigration from southern and eastern Europe began in the eighties, there has been an ebb tide of large proportions. Exact records of this have been kept only since 1908; but during the period since that a gross immigration of more than ten millions has been reduced to a net of somewhat over six. (Commissioner-General of Immigration, *Report*, 1924, pp. 122-123.) The effect of the quota laws of 1921 and 1924 has been to diminish the proportion of immigrants going back home. (*Ibid.*, pp. 1-2.)

for the period of his natural life, when travel was chiefly a matter of religious pilgrimages or military and marauding expeditions, a stranger was likely to be looked upon with suspicion; and if he had a "swarthy foreignness of complexion" and spoke an outlandish dialect, he must surely be an enemy or a fugitive from justice.

Economic interests, also, then as now played a part in this prejudice. The Jews and Lombards were long the victims of persecution, extortion, and frequently of banishment, but they won a degree of tolerance from rulers because of the financial advantages derived from their presence. Foreigners, as previously stated, were often excluded from the guilds. The Flemish weavers who came into England shortly after the Norman Conquest were favored at first by the protection of the Queen, a Flemish lady, but later suffered disabilities through jealousy of the native craftsmen. In some towns (as, for example, Canterbury) foreign artisans were compelled to keep to separate quarters.[1]

The statesmen of the Mercantilist school, however, saw advantages in attracting these foreign workmen. As early as 1331, Edward III welcomed weavers from the Low Countries who were seeking a refuge from the oppression of Philip of France and of the Flemish merchants. He also brought clockmakers from Delft.[2] Walloons and other religious refugees came during the reign of Edward VI and (after a period of expulsion under Queen Mary) in even greater numbers during the reign of Elizabeth. Lord Burleigh fully recognized their value for the introduction of new arts. They are credited with the development of new branches of woolen-cloth manufacture, such as baize, serges, and worsteds, and having contributed to the introduction of cotton manufacture and the manufacture of brass, of cutlery, and of glass.[3] Probably between one-fourth and one-fifth of the half-million Huguenots who were driven from France by the persecutions of Louis XVI in the latter part of the seventeenth century, also

[1] Cunningham, *Growth*, vol. i, p. 186, *et seq.*; vol. ii, p. 79, *et seq.*
[2] *Ibid.*, vol. ii, p. 304, *et seq.*
[3] Cunningham, *op. cit.*, vol. ii, pp. 79-84.

went to Great Britain, Ireland and the American colonies—the others seeking refuge in Germany, the Netherlands, and elsewhere.[1] Much the larger proportion of them being artisans and mechanics, they gave a new impetus to British industries, particularly to the silk trade, the manufacture of sail-cloth, calico-printing, paper-making, and linen-weaving in Scotland and Ireland.[2] Their exodus must have gone far to offset the efforts of Colbert, in the years just preceding, to build up new trades in France by importing skilled workmen from Venice, Holland, Sweden, and Germany, and by preventing French workmen from going elsewhere.[3]

In more recent times, also, there has been an interchange of labor upon more purely economic grounds among European countries, some of it seasonal and temporary, some of a more permanent character. The migration of the Irish in large numbers to English manufacturing towns, dating from the very beginning of the factory system, while not strictly of an alien character, was of great importance.[4] A large number of Greeks, part of them of the commercial rather than the wage-working class, settled, up to a recent period, in Turkey and other Balkan States.[5] Many Russians and Galicians have been called into East Prussia to meet the demand for farm laborers.[6] The migration, during the summer months, of laborers from the northern provinces of Italy to neighboring countries was larger down to 1887 than that to transatlantic countries, and is probably still large.[7]

[1] Baird, H. M., *The Huguenots and the Revocation of the Edict of Nantes* (New York, 1885), vol. ii, p. 68, *et seq.*, esp. p. 99, *et seq.;* Weiss, *History of the French Protestant Refugees* (trans.) (New York, 1854), vol. i, p. 111, *et seq.*

[2] Cf. Weiss, *op. cit.*, vol. i, pp. 259, 289, *et seq.;* Cunningham, *op. cit.*, vol. ii, p. 327, *et seq.*

[3] Sargent, *The Economic Policy of Colbert* (London, 1899), p. 46, *et seq.;* Levasseur, *op. cit.*, vol. ii, p. 269, *et seq.*

[4] Engels, *Condition of the Working-Class in England in 1844*, p. 90, *et. seq.* Cf. Smart, *Economic Annals of the Nineteenth Century* (London, 1910), p. 274-275; Hasbach, *Agricultural Laborer*, pp. 82, 134.

[5] Fairchild, *Greek Immigration to the United States* (Yale University Press, 1911), p. 74, *et seq.*

[6] *Statistisches Jarbuch für das Deutsche Reich*, 1915, p. 10; Balch, *Our Slavic Fellow Citizens*, pp. 139, 442.

[7] Cf. Mangano, "The Effect of Emigration upon Italy," *Charities*, January 4, 1908, p. 1335.

But in European countries the problem, in so far as there is any, is chiefly one of emigration, whereas in the United States it is one of immigration. The movement of population to American shores has not, to be sure, been wholly of a working-class character. Among the colonial elements there were many from the middle classes—the Puritans, Quakers, Huguenots, and Moravians—who came from religious and political motives. And a considerable number of the Germans who came during the nineteenth century were influenced by the unpopularity of their radical political views in the old country, and by objections to military service. The economic advantages of the United States have also been great enough to attract many who were already possessed of some property, particularly the Germans and Scandinavians who settled in the Middle West. For the most part, however, the movement has been one of poorer people, and this has been increasingly true as the free lands have been exhausted and as America has become more and more an industrial country. This is borne out by a study of the Old World causes of immigration; of the age, sex, and occupational distribution of immigrants; and of the immigrant communities now existing here.

The sources of immigration naturally bear a striking similarity to the sources, already treated, of the factory workers in England and on the Continent. Immigrants have come principally from regions having a high birth-rate, a monopolistic system of land tenure, and so retarded in their industrial development as not to be able to furnish adequate employment for their population at home. It has been easier for such countries to send out people than to produce and send out goods. Some, indeed, of the countries of the "old immigration" (before 1885) have since passed through an agricultural or industrial transformation that has largely killed the incentive to migrate. The rapid growth of Germany's commerce and manufacturing after the Franco-Prussian War (1870-71), made her citizens less anxious to leave. Sweden, and to a less extent Norway, have become industrial countries,

and emigration has fallen off since about 1890.[1] Denmark has developed peasant proprietorship, co-operation, and one of the most enlightened and intensive systems of cultivation to be found anywhere.[2] Why leave such a country?

Ireland, with her old régime of absentee landlords and rack-rents, the restricted industrial, commercial, and even agricultural development permitted to her by the British government, and the abject misery and hopelessness of the great mass of her population, prompting to a reckless rate of increase, has been in times past a notable example of the economic causes of emigration; and it is hoped that now, with the achievement of Home Rule, the gradual restoration of the land to the cultivators, and the rise of improved methods of farming under the leadership of Sir Horace Plunkett and others, she may come into her own, that peace and order may come to prevail, and home industry may be revived, so that Ireland may be the best place for the Irish.[3]

Italy, Greece, and that conglomerate which before the War was conveniently called Austria-Hungary, are all countries which, because of hard agricultural conditions and industrial backwardness, have witnessed the departure annually of thousands of their working people to more favored and progressive regions. It remains to be seen how far, either under the leadership of a Mussolini, as in Italy, or by more democratic even though less spectacular methods, they can accommodate themselves to the severe immigration restrictions laid down by the United States, and settle their population problems at home.[4]

It would, of course, be a mistake to suppose that only the untoward circumstances of their lives have impelled the workers of Europe to come to America. The advantages of

[1] Babcock, K. C., *The Scandinavian Element in the United States* (Urbana, Ill., 1914), pp. 19, *et seq.*, 79, *et seq.*

[2] Babcock, *op. cit.*, p. 62, *et seq.*

[3] Clarkson, *Labour and Nationalism in Ireland* (*Columbia University Studies*, vol. cxx (1925)), esp. pp. 18-20; Goldwin Smith, *Irish History and the Irish Question* (New York, 1905), pp. 100, *et seq.*, 227, *et seq.*

[4] Cf. Commons, *Races and Immigrants in America* (1908 ed.), p. 70, *et seq.*; Lord, Trenor, and Barrows, *The Italian in America* (New York, 1905), esp. p. 39, *et seq.*; New York *Times*, August 3, 1925, p. 17 (Professor East *v.* Count Cippico).

this country have not lacked advertisement. The federal government itself has never undertaken to induce immigration, except for a brief interval during and after the Civil War, when, in the opinion of President Lincoln, it would offer "replenishing streams . . . to repair the ravages of internal war." [1] Some of the state governments have at times had commissioners to offer hospitality to immigrants. But private business interests have been most active in stimulating the movement. The new steamship lines to the Mediterranean, and the persuasive eloquence of steamship agents, were largely responsible for starting the tide of immigration from southern and eastern Europe in the eighties.[2] Employers and others deeply solicitous for the "development of the country," and railroads with lines to build and lands to dispose of, both looked to immigration for help; and the Contract Labor Law of 1885, forbidding an offer of employment to prospective immigrants, has been extensively evaded in spirit if not in the letter.[3]

The labor character of the immigrant stream is further manifest in its composition as to age, sex, and occupation. The great majority of immigrants are in the productive period of life; and it has often been claimed as an advantage to the country that it has obtained all this supply of labor without the expense of raising it. The foreign-born element always shows a larger percentage, by three or four points, in the middle age-groups (from twenty-five to forty-four) than the population as a whole, and a very small proportion below fourteen years of age.[4] The number of arriving immigrants between the ages of fourteen and forty-four has often been above 75 per cent.[5] The proportion of men to women has often been two to one. This has been notably true of the "new immigration," and is closely connected with the tend-

[1] Commissioner-General of Immigration, *Report,* 1908, p. 210, *et seq.;* Immigration Commission, *Report,* vol. ii, p. 565.

[2] Cf. Fairchild, *Immigration* (New York, 1925), pp. 135-136, 151, *et seq.*

[3] Commissioner-General of Immigration, *Reports;* Commons, *op. cit.,* p. 107, *et seq.;* Immigration Commission, *Report,* vol. ii, p. 381, *et seq.*

[4] *Fourteenth Census,* 1920, vol. ii, p. 157.

[5] Commissioner-General, *Reports,* 1913, p. 136; 1914, p. 42; 1915, p. 64, etc.

ency to return home after a period of wage-earning in American industries.[1]

The occupational declarations of immigrants have been found to be rather unreliable, often having more reference to the trades they hope to go into than to the ones they have followed abroad. But far the greater number state an occupation, and those who do not are mostly women and children. The Immigration Commission found at the time it made its report in 1910 that over the decade from 1899 to 1910, out of about nine and one-half millions who entered, seven million and more gave an occupation; and that of these 35.9 per cent were common laborers and 23.4 farm laborers, making a total of nearly 60 per cent for these two groups. The South Italians showed 77 per cent of this unskilled type; the Slovaks, 80 per cent; the Greeks, 86.2 per cent; and the Roumanians, 93.8 per cent.[2] In recent years, however, under the quota system and with a larger proportion from northern Europe, the number of skilled workers and professional people is considerably more than half of the total.[3]

There is scarcely an important industry in the United States in which immigrants or their children have not for years constituted at least a third of the labor force; and there are many industries where they are in the majority. This has also been influenced already by the restriction of immigration during and since the War, and will be still more, so long as the policy of limitation is followed. But the Immigration Commission found in 1910 that 68 per cent of the silk operatives were of foreign extraction, nearly one-third being themselves foreign-born and the others native-born of foreign parentage. The census of 1920 showed somewhat less than half foreign or of foreign parentage. In the woolen and worsted industry in 1910, 46.5 per cent were foreign-born and 30.4 per cent of foreign parentage. Figures that correspond as nearly as possible for 1920 still indicate a proportion of about half in the "foreign or of foreign parentage"

[1] Immigration Commission, *Report,* vol. i, pp. 58-58; Commissioner-General, *Report,* 1924, p. 42.

[2] Immigration Commission, *Report,* vol. i, pp. 100-102.

[3] Commissioner-General, *Reports,* 1924, pp. 40-41; 1923, pp. 46-47.

group. Coal mining, the steel industry, and the clothing trades are others that still show more than half of their employees as within that group.[1] It is readily apparent that immigration has exercised a profound influence upon American industry.

5. WOMEN AND CHILDREN

To mention women and children at this point as distinct elements in the labor group necessarily involves overlapping and duplication. Both have always labored and are included implicitly in the sources already discussed. Women were, in fact, the first agricultural laborers; and before the days of predigested foods and ready-made clothing, they turned the household into a factory. The apprenticeship system under the guilds of the Middle Ages was a form of child labor, though very different from that under the factory régime. Both women and children under the domestic system were used in large numbers, as we have seen, to break down the guild monopoly. And both were early drafted into the mills and shops—in America first the sons and daughters of the farmers, and after about 1850 immigrant women and children in still greater proportions.[2] Because of this fact, because the proportion of women in industrial and commercial employments shows a tendency to increase, and particularly because the presence of women and children in industry has such important effects upon their own lives and welfare and upon the labor movement, they deserve separate consideration.

Statistics show that, largely because of legal regulation, the number of children between ten and fifteen years of age gainfully occupied has greatly declined in both Great Britain and America since the first record was made, and in the United States even within the last decade for which we have complete figures. According to the census of 1851 in England

[1] *Fourteenth Census,* vol. iv, p. 342, *et seq.*

[2] Foreign-born women show a slightly higher percentage employed than native (18.4 per cent as compared with 17.2 per cent in 1920). Native-born of foreign parents show a considerably higher rate than either (24.8 per cent). Negro women show a rate of 38.9 per cent. (*Fourteenth Census,* vol. iv, p. 377.)

and Wales, 36.6 per cent of all boys of these ages were employed and nearly 20 per cent of the girls. By 1881 the percentages were 22.9 and 15.1 respectively; and in the 1911 census, 18.3 and 10.4.[1] The figures for 1921 are unfortunately not quite comparable because the age of twelve is taken as the lower limit. But they show considerably less than a million boys and girls between that age and fifteen, as gainfully occupied—517,186 or 28 per cent of the boys in that age-group, and 352,115 or about 25 per cent of the girls.[2]

The census of 1920 in the United States probably does not give a very accurate picture of child labor as it exists at present, because at that time the federal law, since declared unconstitutional, was in operation; and, besides, the enumeration was made as of January 1 instead of April 15 as in the previous census, and undoubtedly does not show the maximum or even the average number of persons of any age gainfully employed during the year. But taking the figures as they are, they indicate that only slightly over a million (1,060,858) boys and girls in the age-group from ten to fifteen were thus engaged, or 8.5 per cent of all in this group. This contrasts with 18.4 per cent in 1910, 18.2 per cent in 1900, and 18.1 in 1890.[3] Of these children employed in the United States in 1920, 61 per cent were listed as engaged in agriculture, 17.5 per cent in manufacturing and mechanical pursuits, and 6 per cent in trade, with the rest scattered.[4]

The industrial importance of woman labor, on the other hand, is indicated by the statement that nearly one-third of all women and girls above twelve years of age in England and Wales were gainfully occupied in 1921; [5] and slightly over one-fifth (21.1 per cent) of those above ten years of age in the United States in 1920.[6] Within the age-group from six-

[1] *Census of England and Wales, 1911, Occupations and Industries,* vol. x (London, 1914), p. cxli.

[2] *Census of England and Wales, 1921, Occupations* (London, 1924), pp. 22, 54.

[3] *Fourteenth Census,* vol. iv, pp. 375-376, 475-476.

[4] *Ibid.,* pp. 476-477.

[5] *Census of England and Wales, 1921, Occupations,* p. 54.

[6] *Fourteenth Census,* vol. iv. pp. 33, 376. It is evidently impossible to reduce these figures for the two countries to a "common denominator"; but since the proportion of girls between ten and thirteen years occupied in the United

teen to twenty the proportion of British women occupied was over five-sevenths, or more than 70 per cent. And in the United States the proportion of girls between eighteen and nineteen who were at work was 43.2 per cent; and for the ages twenty to twenty-four, 38.1 per cent. The British employment-rate for women has been fairly steady for several censuses, except that in Great Britain, as in all belligerent countries, there was a notable increase and a marked shifting in women's work during the War.[1] The proportion of American girls and women above ten years of age gainfully occupied has quite steadily increased from 14.7 per cent in 1880 to the present rate of 21.1 per cent. The decline shown from 23.4 in 1910 was probably due mainly to changing the census date to January 1, already mentioned.[2] There has been a marked increase in the number of married women employed, from about 5 per cent of the total number of married women in 1890, to 9 per cent, or nearly two million women, in 1920.[3]

New occupations are constantly being opened up to women, and even in the most masculine of the four or five hundred employments listed by the Census Bureau there are almost sure to be some women working in some capacity. The War, as stated, hastened the process of diffusion, if not actually increasing permanently the aggregate number employed. The British figures indicate an increase during the decade 1911-21 in the number of women employed in the chemical industry (now about one-fourth of all employed), and in the metal trades, where they are still, of course, greatly in the minority (about one-fourteenth of the total).

Yet, for all that, the great majority of working-women have not strayed far from the traditional employments of their

States was only 2.8 per cent, whereas this age-group constituted about 10 per cent of all females, the difference in actual rates of employment for women is less than the above figures indicate.

[1] Cf. *Census of England and Wales, 1911, Occupations and Industries*, vol. x, p. cxxviii; Women's Bureau, *New Position of Women in American Industry* (*Bulletin* no. 12 (Washington, 1920)).

[2] *Fourteenth Census*, vol. iv, p. 33.

[3] *Ibid.*, p. 692. Cf. Winslow, Mary N., *Married Women in Industry* (Women's Bureau, *Bulletin* no. 38 (Washington, 1924)), p. 2.

sex. The occupations in England and Wales in which they outnumbered men in 1921 were: (1) personal or domestic service (almost five to one); (2) the textile industry (somewhat short of two to one); (3) textile goods and articles of dress (about two to one); and (4) the professions taken together, because there were nearly three times as many women teachers as men. Women constituted about one-third of all persons engaged in the manufacture of foods, drinks, and tobacco; more than a third of those working at paper, printing, and bookbinding; nearly a third of those which the British census classifies as in commercial, financial, and insurance business, excluding clerks; and more than two-fifths of those classed as clerks and draftsmen.[1] One item of interest is that, of the total number of married women gainfully occupied in England and Wales, nearly 30 per cent are in the textile or the clothing trades and almost another third are in personal service—all of them long-time women's employments. More than half of the 425,981 widows who were occupied in 1921 had found refuge in personal service.[2]

The distribution of gainfully employed American women and girls above ten years of age by large classes of occupations, and the trend over a decade, are shown in the following table: [3]

Occupation	1920 Per Cent	1910 Per Cent
Agriculture	12.7	22.4
Mining		
Manufacturing and mechanical pursuits	22.6	22.5
Transportation	2.5	1.3
Trade	7.8	5.8
Public service (not otherwise specified)	0.3	0.2
Professions	11.9	9.1
Domestic service	25.6	31.3
Clerical work	16.7	7.3

[1] *Census of England and Wales, 1921, Occupations,* pp. 3-21.
[2] *Ibid.,* pp. 72-76, 104.
[3] *Fourteenth Census,* vol. iv, p. 34. The falling off in agriculture is again largely explained by the census date, and naturally disturbs all other percentages. (*Ibid.,* pp. 22-24.)

Of the women and girls engaged in manufacturing, in which we are here most interested, from two-thirds to three-fourths are still found in five industries which, with one possible exception, are typically women's trades. In the order of their commercial importance for women workers in 1920 they are: the clothing industry, including millinery, the textile industry, cigars and tobacco, food products, and footwear and gloves.[1]

6. "CLASS-CONSCIOUSNESS"

With this heterogeneous mass of the redundant, landless, propertyless, disinherited, and oppressed of both sexes, the industries of the modern world are operated. And it is these varied elements which the labor movement attempts to weld together into unified forms of organization, and to inspire with common ideals and purposes.

In an old industrial country like Great Britain, this process of unification and the development of group- and, in large measure, of class-consciousness, though not yet complete, has made great progress. The Industrial Revolution had, indeed, offered many chances for "new men" to rise to wealth and power; and, whatever may be the general impression among the workers, these chances are not yet closed. But in a country which inherited so much from previous systems of labor and production, these opportunities were still far from equal at the time, and have obviously become still less so as the capitalistic system has evolved. The great mass of British workers are now convinced that under existing institutions their position is a relatively permanent one, offering little prospect either for the individual or for the group of ever being anything else but wage-earners. Society seems to them to have quite definitely returned to a régime of status, with the ownership of capital exerting a weight and power similar to that which under the feudal system was exercised by the ownership of land. And they have organized on this basis.

[1] *Fourteenth Census*, vol. iv, p. 35, *et seq.* Cf. Women's Bureau, *New Position of Women*, p. 40. The order in 1920 is somewhat different from that in 1914 but aggregates do not vary widely.

But America has prided itself upon being "the poor boy's country." Here surely the man of ability and enterprise has had a chance to rise out of the wage-earning class to a position of authority and opulence. The proof is to be found in the biographies of many of our great capitalists, and in the existence of a vast multitude of others who have at least attained the comfortable rank of the great middle class. Our successive frontiers and rich natural resources, our free institutions and democratic educational system have for a time at least emancipated us from many of the burdens, inequalities, and hampering traditions of older civilizations. It is difficult to convince many fortunate individuals to-day that the gates of opportunity have to any extent been narrowed or closed.

The very fact of the rise and advance of a labor movement here, however, is evidence that, whatever may still be thought the chances for the exceptional individual, the belief is growing that the average man who is born a laborer is destined to remain such; and that an important if not the sole means by which he may make his condition more tolerable is by combining with his fellows and bargaining and agitating collectively. This conviction has grown the more slowly and the progress of labor organization has been the more tardy because successive waves of immigrants with Old World standards of living have continued to find here an attractive field for individual effort and achievement. Their very heterogeneity of race and language has hindered unification. Yet when we find a trade union membership in the United States of over three millions, to say nothing of the socialist vote and more radical branches of the movement, and when we see men of the type of John Mitchell, Samuel Gompers, Warren S. Stone, Andrew Furuseth, and John P. Frey, continuing to serve their respective organizations and the whole labor cause their whole lives through with a single and unswerving devotion, it makes us think that there must be something in this form of protest and some reason why discontent has not remained latent and voiceless.

The whole question of "opportunity" is one of the major

grievances of labor and is given fuller treatment in a later chapter.[1] A few circumstances, however, which reveal the economic basis of present class divisions and conflicts are in place here. Uncle Sam is obviously no longer "rich enough to give us all a farm," and that safety-valve is thus no longer operative. It is equally plain that he was much too lax and prodigal in the distribution of his wide domains. There are signs, too, that the ideal of the small farm and cultivation by the owner is not being increasingly realized. It may be doubted whether much significance can be attached to the steadily growing proportion of our population reported as working for a living from census to census.[2] Certainly, a larger proportion are working for other people, rather than as independent enterprisers. Even great lawyers, brainy editors, and keen business executives are often little more than hired men, obeying orders and selling their abilities to the highest bidder.

The concentration of industry under a single corporate management inevitably means a loss in independence, and in the relative number of managerial positions. The ratio of such positions to the number of employees appears often to be less than 1 per cent; and hence the chances of promotion to that class for the average worker would be less than one in a hundred. The large class of clerks or salaried employees, which has in many cases grown faster than that of wage-earners, is not in most respects more secure or more fortunate than the wage-earners themselves.[3]

More than this is the handicap which the average wage-earner suffers, even under the corporate form of organization and low par value for stock, in attempting to become

[1] *Infra,* chap viii.

[2] The percentage of those above ten years of age gainfully employed in 1880 was 47.3; in 1890, 49.2; in 1900, 50.2; in 1910, 53.3. The apparent decline to 50.3 per cent in 1920 is again ascribed to the change in date of enumeration. (*Thirteenth Census,* 1910, vol. iv, pp. 30, 64, *et seq.;* Fourteenth Census, vol. iv, pp. 22-24, 33.)

[3] Cf. *Thirteenth Census,* vol. x, pp. 27 (textiles), 231-232 (steelworks and rolling mills), 481 (sugar refining), 702 (boots and shoes). These figures are, of course, of doubtful accuracy and value.

part owner of the enterprise in which he works. Professor Marshall, writing about 1890, estimated that the capital invested in plant alone in the textile industries of England was equivalent to £200, or at that time about five years' wages, for every man, woman, and child employed in them; that a steamship represented the equivalent of some ten years' wages for her entire crew; and that the railways of England and Wales had a value equal to the total wages of the 140,000 persons then employed thereon for thirty years to come.[1] The figures regarding capital in the industries of the United States probably have no greater accuracy than the Census Bureau modestly claims for them. And particularly in the last decade they have shown less elasticity than the corresponding wage-figures, and thus furnish a poor basis for comparison. But, on their face, they indicate that in the textile industries the ratio of capital to wages and salaries is almost exactly that given by Professor Marshall for England years ago—five to one; that in blast furnaces and the flour-milling industry the ratio is almost ten to one; in sugar refining about seven and one-half to one.[2] The figures of the Interstate Commerce Commission for railroads, where the capital account under the valuation made by the Commission is left almost the same in 1923 as in the pre-war period, whereas wages have increased very markedly, still show a ratio of 6.4 to 1.[3] This means that if the wage-earners and salaried employees in any enterprise should wish to buy it and have control of the capital with which they work, they would be compelled to save all their wages and salaries for a term of years corresponding to the ratios given. And when the slight margin, if any, which the average wage-earner's income leaves above subsistence for himself and his family is considered, such accumulation, even

[1] Marshall, Alfred, *Principles of Economics* (London, 1890), p. 286, *et seq.*

[2] *Fourteenth Census,* 1920, vol. x, pp. 104, 141, 147, 312; *Thirteenth Census,* 1910, vol. x, pp. 20-21, 25, 406, 471, 657. The statistics for 1910 uniformly show a higher ratio for capital.

[3] Interstate Commerce Commission, *Statistics of Railways,* 1923, p. xx. The figures given in 1915 would have indicated a ratio of more than 10 to 1 between capital and wages. (*Abstract, Statistics of Railways for the Year Ending June 30, 1915,* pp. 3-4.)

over a much longer term, seems doubtful, if not absolutely impossible.[1]

Economically speaking, therefore, there are classes to-day just as truly as there were in the pre-factory stage; and in America just as truly as in Europe.

[1] Cf., however, Carver, T. N., *The Present Economic Revolution in the United States* (Boston, 1925), esp. chap. iv.

PART II

GRIEVANCES

CHAPTER III

UNEMPLOYMENT

1. CHARACTER AND EXTENT OF UNEMPLOYMENT

THE greatest terror of the average worker's life is unemployment. He does not always understand the causes; he is fully acquainted with the effects—the loss of income, the exhaustion of savings, the bills contracted while credit lasts at the grocer's and the butcher's, the threats of the landlord, the cheerless hearth, the sacrifices forced upon his family, the clutches of the loan-shark, the first corrupting taste of "sweet charity," and, worst of all, the anxious search for a job and the harrowing uncertainty regarding the future.[1] It is not to be wondered at that the strain is frequently greater than his moral fiber is able to withstand, and that permanent impairment of his character and his efficiency results. From being unemployed, he may become unemployable. The seeds of discontent and violence are sown broadcast, take root, and grow during seasons of unemployment. Agitators then find willing ears and minds ready to believe the worst.

Hardly less painful than absolute loss of employment, and closely related to it, is the readjustment forced upon the worker by frequent changes in the methods and processes of manufacture. He naturally comes to feel that he has a vested interest in the skill which it has taken him years to acquire and perfect. If he is already past middle life, it is doubly difficult for him to get a new job and to adapt himself to new demands. That some clever device of an inventor can at any moment, and without warning, rob him of the value of his experience and perhaps compel him to accept a lower income

[1] Cf. Children's Bureau, *Unemployment and Child Welfare* (*Publication* no. 125 (Washington, 1923)).

and a lower station in life after he has become accustomed to a higher seems unjust and nothing short of a tragedy. Thus the employment problem has its qualitative as well as its quantitative aspect.

Unemployment, properly so called, is a state of involuntary idleness on the part of those who are able and willing to work but cannot find work to do. It does not include the indolence and purposeless drifting of the tramp or hobo, although, as just remarked, when it becomes chronic it does help to increase the number of such undesirables. It omits, as belonging to quite a different category and requiring different treatment, all those who are out of work because they are disabled, defective, or incapable of sustained effort. The distinction is naturally one not entirely complimentary, and is very hard to draw. The relatively incompetent are the ones most subject to unemployment; but incompetence is not to be assumed as a primary factor in producing the evil. Finally, all scientifically compiled unemployment statistics differentiate between that form of voluntary idleness which is due to strikes within a given trade or industry, and the hardship which such a suspension may cause in other related but non-participating trades and industries by shutting off materials or the market for goods.

Thus defined, unemployment or, as an increasing number of the bureaus are approaching it, the state of employment offers an important index of business conditions.[1] And for this reason, as well as because society has become more conscious of the gravity of the situation, the gathering of employment figures has immensely improved within the past decade or more. In Great Britain there are unemployment statistics, for the members of trade unions, running back to 1850; and, particularly since 1920, under the amended unemployment insurance acts, a more representative set for all workers. In the United States the reports from trade unions in Massachusetts go back to 1878, and have been much relied

[1] Cf. Berridge, W. A., *Cycles of Unemployment in the United States, 1903-22* (Boston, 1923).

upon. New York formerly had a similar system, but in 1914 began the collection of figures on employment from representative factories, and in 1916 discontinued the unemployment reports from unions. Illinois, Wisconsin, California, and a few other states also have monthly reports. And the United States Bureau of Labor Statistics has since 1915 published a monthly employment index, made up from data reported by numerous establishments in some thirteen different industries throughout the country.[1]

Only a sketchy survey of these figures is necessary to reveal the seriousness of the problem. More than that might obscure rather than clarify the view. In Great Britain the "third winter of unemployment," about which some distressed citizens conferred and wrote in 1923,[2] has since deepened into the fourth and fifth without any great diminution in the number of persons out of work. Only for brief intervals during the whole period has the number registered as unemployed fallen much below a million and a quarter, and some of the time it has been nearer a million and a half. The percentage of all insured workers involuntarily idle was 17.4, on the average, for Great Britain and northern Ireland in 1921; 12.6 in 1922; 10.7 in 1924; never below 9.4, and usually above 10 in 1924; and 12.5 in August, 1925. Even for the members of trade unions who are usually somewhat more favorably situated, the percentage reported as out of work in 1921 averaged 15.3; in 1922, 15.4; in 1924, 8.1; and was 11.4 at the end of August, 1925. Never before since 1850 had it reached so high a figure; and it was above 10 per cent only for brief intervals in 1858, 1879, and 1886.[3] Small wonder, then, that the severe and prolonged depression which began in 1921 should make

[1] Cf. Bradford, E. S., *Industrial Unemployment* (United States Bureau of Labor Statistics, *Bulletin* no. 310) (Washington, 1922), pp. 9-14; Cahn, R. D., "Some Uses of Employment Statistics," in *Proceedings of the International Association of Public Employment Services, 1924* (Washington, 1925), pp. 11-17.

[2] Bowley, Clay, and others, *Third Winter of Unemployment* (London, 1923).

[3] Ministry of Labour *Gazette* (London), February, 1923, p. 51; January, 1925, p. 2; August, 1925, p. 305; *International Labour Review* (London), August, 1925, pp. 186-197; Cole, G. D. H., *Out of Work* (London, 1923), p. 2 and appendix A.

of unemployment the chief economic and political problem of the country.

The irregularity of employment in America has always been somewhat greater than in older countries. The average unemployment shown by trade union figures for Massachusetts for the period of 1908-22 was 7.7 per cent; in the depression of 1914-15 it reached 14.9 per cent (December, 1914); and in December, 1920, it reached the highest recorded figure of 28.7 per cent, with several very high months during 1921 and 1922.[1] Yet Massachusetts industries are evidently more stable than those of New York, where the prominence of the clothing trades and other seasonal industries undoubtedly increases fluctuations. The New York Industrial Commission has taken employment in factories in June, 1914, as its base figure (100 per cent); and the extent of the variation in the number of persons employed is indicated when we find the index almost always above 120 throughout the war-period of 1917-18 and for a considerable part of 1920 (125 in July, 1918, and in March, 1920), whereas it fell to 88 during July and August, 1921, and was again as low as 93 in July, 1924.[2] The difference between the two extremes was thus 37 points. Doubtless there were many persons at work during 1917-18 who did not intend to remain in industry, and for whom the decline in employment meant no great hardship. But doubtless, also, the industries and working population of the state have so far increased since the basic month of June, 1914, that the low figures of 1924 represent grave unemployment. For this latter reason the index number of the Bureau of Labor Statistics, which is now using the average for 1923 as its base, is somewhat more satisfactory. It yields a figure of 98.9 for June, 1914, the New York base, and thus indicates a fair degree of normalcy and comparability. The depression of 1914-15 caused this figure not to be reached again until September, 1914. The highest figures of all are again, of course, in 1917-18 (115 for 1917 and 114.2 for 1918). The lowest figure

[1] Massachusetts Department of Labor and Industry, *Annual Report of Statistics of Labor, 1923* (Boston), pp. 18-22.

[2] *Industrial Bulletin* (Albany, October, 1925), p. 18.

76.8, came in January, 1921, and the index remained below 90 throughout that year. A low ebb of 84.8 was again reached in July, 1924, and the figure did not rise above 90 for the rest of that year also.[1]

All the statistics indicate that the unemployed we always have with us. A British study covering the period 1908-23 shows that the number of working-days per capita lost through unemployment averaged 18.66, or more than eight times as many as were lost each year through trade disputes.[2] Payments under the Unemployment Insurance Acts during the stressful years from 1920 to 1925 aggregated more than a billion dollars; probably at least half as much more was paid out by boards of guardians throughout Great Britain for the same cause; and the funds of many of the trade unions were so depleted through out-of-work benefits that these had to be entirely suspended.[3] A review of all the American figures convinces Dr. Bradford that "an average of at least a million and a half industrial wage-earners in the United States are constantly unemployed, taking poor and prosperous years together"; and that the average worker loses about 10 per cent of his working-time through unemployment alone.[4]

Certainly, here is a great economic and social waste; and the workers, upon whose shoulders, at least in the first instance, the burden has largely fallen, have ample statistical justification for the belief that the times are out of joint.

2. CAUSES

The causes of unemployment, as here defined, fall logically into three classes: (1) those relating to the supply of labor in the mass and in its various grades; (2) those relating to the demand for labor as affected by changes in the methods

[1] *Monthly Labor Review* (Washington, October, 1925), p. 91.

[2] Cf. National Joint Council Committee of Inquiry into Production, *Wastes of Capitalism* (London, 1924), cited in *Monthly Labor Review*, July, 1925, pp. 109-110.

[3] *Parliamentary Debates*, April 2, 1925, p. 1567, summarized in *Monthly Labor Review*, July, 1925, p. 108; Wootton, Barbara, "Cost of Unemployment," *Labour Magazine* (London, November, 1923), pp. 294-296.

[4] Bradford, *op. cit.*, p. 2.

of production and by fluctuations in business activity; and (3) those having to do with the organization of the labor market through which demand and supply are supposed to be brought together.

The *market phase* of the problem is obviously an outgrowth of the other two, because only as there is change either in supply or in demand as regards different branches of industry, or in the same industry at different times, is it necessary to seek a new equilibrium through exchange. The static conditions which prevailed under the guild system created little need for the mobility of labor or for a labor market. And if the supply of labor to-day were more immediately induced by the demand for it, if it could be more infallibly assigned to those tasks where it is most productive, and if enterprises could somehow regularize the demand for labor in their respective industries, so that the same number of workers would be required at all times, our huge industrial mechanism would still operate without friction or the need of constant readjustment.

The importance of marketing in the modern process of production has only begun to be recognized; and the marketing of labor, especially in America, has been one of the most poorly organized forms of all. We have long had produce exchanges, where buyers and sellers of cotton, wheat, livestock, and other staple commodities meet, where reliable information regarding conditions can be obtained, and where prices are determined through competitive bidding. They are, in the main, a stabilizing, standardizing influence upon both the production and the sale of goods. But labor exchanges, where those, on the one hand, who are dependent upon the sale of their highly perishable labor-power for a living, and those, on the other hand, who are in need of workers of various grades, may both repair, and where accurate information may be obtained by either party regarding labor conditions—the requirements of different trades and localities, the prevailing rates of pay, and the relative capacities of applicants for employment—have been almost wholly lacking. Indeed, it has been quite possible for a surplus of labor to exist in

very close proximity to abundant opportunities for its use—even within the same plant or industry—without either becoming quickly aware of the other. The policy of "hit-or-miss" has ruled supreme. And as for a world market, the great disparity of wages existing in different countries shows that there is no such thing. The greater ease and freedom of migration have not overcome the relative immobility of labor.

Under the "unorganized" methods of securing employment or of hiring employees that have generally prevailed, too large a share of the burden falls upon the laborer himself. The purchase and sale of labor often has only a semi-contractual character, in which the employer depends upon applicants at the gate (a waiting list), and hires his men only for short intervals—frequently but a day or a week at a time—and dismisses them summarily when work becomes slack. The low order of skill required for many jobs makes him willing to take the risk of finding a fresh labor-supply whenever he needs it. Sometimes, as in dock labor and in the lace and hosiery trades, he parcels out work to a large number of part-time employees. This serves to keep plenty of retainers within his reach, and, besides enabling him to handle rush orders quickly, promotes that docility and submissiveness among the members of his force which is so much desired.[1] The worker under such circumstances, with his limited knowledge of conditions here or elsewhere, and the pressing nature of his wants, is poorly equipped to defend himself against injustice or to find redress by seeking a new job.

Nor has the need for placement been met through voluntary private agencies. The service in this direction performed by trade unions for their limited membership is a matter for later treatment. The fee-charging employment bureaus at best cultivate only the more profitable portion of the field, and have often acquired an unsavory reputation through their unscrupulous methods. Philanthropic societies, fraternal orders,

[1] Cf. Willits, "Steadying Employment," *Annals of the American Academy*, May, 1916, pp. 7, 29-31, 59, *et seq.*; Harrison, S. M., *Public Employment Offices* (New York, 1924), chap. iii.

and professional bodies undoubtedly mean well, but they usually maintain only a small staff and minister to but a small fraction of those needing help. Several employers' associations have placement bureaus in the larger cities, but most of them underestimate the real need. The National Metal Trades Association, for example, one of the largest, has agencies in only about twenty-five cities; and there are only twelve or fifteen employers' associations that think it worth while to provide such facilities in New York City.[1]

It is being more and more recognized here, as it has for a considerable time been recognized on the Continent and since 1909 in Great Britain, that, in spite of all the advancement being made by progressive employers in employment management, capitalism is not capable of solving this problem for itself, and that labor exchanges supported by the public are needed to cope with the amount of dislocation still existing, and to deal impartially with both employers and working-people. About twenty of the states have now provided one or more employment offices in larger industrial centers and a considerable number of municipalities have undertaken a local service. But many think, with Bradley Buell, that even these public agencies must come to have, as they did to some degree during the war-period, a national scope capable of equalizing demand and supply throughout the whole country.[2]

The chief sources of the *supply* of labor for modern industry have been treated in the preceding chapter. It is apparent that any surplus of workers in general, or of those of a particular grade, beyond the requirements of existing enterprises, will give rise to unemployment; and that if this condition of relative oversupply continues, it will result in excessive competition for jobs and a lowering of the wage-level. Some protection against this untoward event is offered by the

[1] Cf. Buell, Bradley, in Harrison, *op. cit.*, p. 95.

[2] Mr. Buell concludes from an examination of all private and public agencies that "the greatest immediate promise of an instrumentality which will provide the service required, regardless of what other agencies may do, appears to lie in the development of an efficient national system of public employment bureaus." (*Op. cit.*, p. 93.) Cf. also, *Monthly Labor Review*, October, 1925, pp. 94-96; Lescohier, *Labor Market* (New York, 1919), pp. 9-20, and chap. ix; Leiserson, *Adjusting Immigrant to Industry*, chaps. ii and iii.

acknowledged tendency of population to respond, albeit somewhat tardily and crudely, to the law of demand. The dire predictions of Malthus, which had such vogue throughout the greater part of the nineteenth century, have not been fulfilled; and there is some reason to think that the fears expressed more recently by those who perhaps know more about biology than they do about economics and sociology are destined to meet a similar fate. The Industrial Revolution itself was quite as much the outcome of a scanty labor-supply and the need for more efficient methods of production as it was the basis of a larger population and a higher standard of living. The "slack" or surplus wealth proceeding from it was not all absorbed in bringing more human beings into the world, but instead reacted to stimulate ambition and cause a declining birth-rate. In the main, the genetic growth of population has kept pace with the growth of industry and the opportunities for employment, so that room has commonly been found for the newcomers.[1]

Some writers have also thought they discovered a safety-valve for the labor markets of both sending and receiving countries, in immigration. Through this movement, it is argued, a redundancy of population in older countries and a shortage of labor in newer regions are both relieved. Immigrants, it is pointed out, come in greatest numbers during periods of industrial activity; and especially since the "new immigration" began have many of them been accommodating enough to go home and get themselves out of the way during periods of depression.

But a closer and more scientific view casts much doubt upon these superficial contentions. It is not found, in the first place, that the labor situation in countries of emigration is, in the long run, really much improved, since, in the absence of internal industrial development, population continues to press upon resources, and unemployment is still a familiar phenomenon. Neither the British Isles nor Italy, which have been typical centers of emigration, have by any means escaped the evil so completely as France, which has kept most of its

[1] Cf. Beveridge, *Unemployment*, pp. 11, 217-218.

people at home. Admitting that the greatest influx of immigrants to the United States has been during boom periods, it is believed that this source of cheap labor has frequently resulted in the overstimulation of enterprise, and has thus prepared the way for those times of reaction and depression when unemployment is most grievous. Furthermore, the return movement, referred to, is at best tardy and fractional, and leaves a large residuum of the foreign-born to be provided for in such periods.[1] General Walker was "warm" to the truth when, as director of the census in 1880, he stated that immigration, instead of causing a net increase in our population, has in large measure represented a substitution of foreign-born individuals for a potential genetic increase in the native stock. The coming of adult immigrants with low standards has served to depress labor standards and living conditions, to displace earlier wage-earning groups, and to check the American birth-rate.[2] Labor organizations on this side, as we shall discover more fully later on, have always feared the overstocking of the labor market from this source, and have been the most active and persistent force for immigration restriction.

The jealousy manifested by labor toward the employment of women and children has had the same basis, and has been a factor, although not the only one, in bringing about legislative regulation of the hours and other conditions of this class of labor. The tasks performed by women and children in the modern factory are usually quite different from those of men and, as noted in a previous chapter, are most often such as have been traditionally performed by these groups in all industrial stages. When thus limited, they represent no net addition to the labor-supply, and may be presumed not to endanger the employment or the standards of men. But when women, in particular, undertake unaccustomed work, or when a large proportion of the members of the family engage

[1] Cf. Fairchild, *Immigration* (1925 ed.), chap. xvi and pp. 483-484; Commons, *Races and Immigrants in America* (New York, 1920), pp. 155-159.

[2] Walker, *Discussions in Economics and Statistics* (New York, 1899), pp. 215-225; Fairchild, *op. cit.*, pp. 215-216; Commons, *op. cit.*, pp. 203-204.

in work for its support, there is danger (unless we assume that this is in response to a rapidly rising scale of wants) that the family-standard of payment will come to be substituted for higher wages to the chief breadwinner. The demand for labor remaining constant, more workers cannot thus be added without bringing increased competition, unemployment, and lower standards.[1] The supposed help may prove rather a hindrance or handicap.

A relative oversupply of particular grades of labor and in particular industries also occurs, in the face of a relative shortage in other grades and other industries. Often this is a temporary and local matter, due to the comparative immobility of labor and the faulty organization of the labor market already referred to. Some industries, such as the coal-mining industry in both Great Britain and America, and probably the shoe industry and flour-milling in this country, have been overdeveloped and have become overmanned with workers.[2] In part, the maladjustment is attributable to lack of that vocational guidance and training which would prevent the rising generation from drifting into already overcrowded occupations. False standards as to what constitutes an honorable mode of making a living—for instance, the preference of boys for "white collar" jobs, and the unwarranted stigma often attached to domestic service—play a large share in it, and make it extremely difficult even for a considerable difference of wages to effect readjustment. Skilled or otherwise specialized workers, thrown out of work by changes in industrial methods or a temporary suspension of their own occupation, do not always show the adaptability and willingness to take up other or dovetailing employments that might be expected of them. It was one of the suggestions of Mr. and Mrs. Webb, as members of the British Poor Law Commission, that periods of enforced unemployment should be utilized in giving training

[1] Cf. Hutchins, *Women in Modern Industry* (London, 1915), p. 66; Mitchell, *Organized Labor* (Philadelphia, 1903), p. 140; Webb, *Industrial Democracy* (London, 1902), pp. 495-507.

[2] Cf. Davis, James J., "Unemployment as a Result of the Overdevelopment of Industry," *Monthly Labor Review* (Washington, October, 1925), pp. 8-12.

in such alternative tasks, and thus in increasing the versatility of the workers.[1]

The *demand* factor in unemployment has usually been given much more prominence than either the supply or the market factors. Its consideration strikes at the very center of our present-day economic system; and the view which one takes regarding it indicates or determines very largely whether he is an optimist or a pessimist with respect to the system itself and the future of labor under it.

The demand for labor, like the demand for capital or land or enterprise, is a question, first, of the demand for the goods which it co-operates in producing, and, second, of its relative importance compared with these other factors in the productive process. Fluctuations in the demand for goods, particularly such as cannot be accurately foreseen, inevitably lead to fluctuations in the demand for labor to produce them. And changes in the mode of production which affect either the number of workers required, or the skill and intensity of effort which they must put forth, obviously react upon the demand for labor in general and for certain grades of labor as compared with other grades.

The general effect of machinery upon the demand for labor has been a subject of lively discussion among wage-earners and economic writers ever since the eighteenth century. One of the explanations of unemployment most frequently advanced in working-class literature is that machinery is not only labor-saving but labor-displacing. It was loss of employment or the fear of it that led to the early frame-breaking riots in England when the factory system was being introduced. Hargreaves had to flee to Nottingham before he could set up his spinning jennies; and both Cartwright and Arkwright met similar opposition and still greater losses. Violence became so common, especially during periods of trade depression, that Parliament in 1812 made frame-breaking a capital offence—

[1] Webb, B. and S., *Prevention of Destitution* (London, 1911), pp. 140-151; *The Public Organization of the Labour Market: Minority Report of the Poor Law Commission*, part ii (London, 1909), pp. 293-308.

the act against which Lord Byron delivered his maiden speech.[1] More recently, as we shall see, labor has learned to tolerate what it has found it fruitless to oppose. But it has largely continued in the belief that there is only about so much work to be performed, that the employer, actuated solely by the desire for profit, has introduced the machine to do work formerly done by men, and that he has often used it as a weapon to batter down labor standards and defeat the efforts of the unions to maintain them.

Every great industry, indeed, offers examples of such apparent displacement. Hargreaves' spinning jenny, crude and undeveloped as it was, enabled a single person to spin as much as sixteen, twenty, or even thirty persons had been able to spin with the old one-thread wheel.[2] Bell's cylinder for printing calicoes operated by a man and a boy was "capable of turning out as much work as could be turned out by one hundred block printers and as many tear boys."[3] The Owens glass-bottle machine, a more recent invention, can turn out 15,000 bottles per day with a total of four men working in as many shifts; whereas under the old process an experienced blower could make only 200 bottles at a shift. At this rate it would have taken seventy-five men with some fifteen helpers to equal the machine.[4] Modern machine methods of farming are estimated to produce a given quantity of the nine principal crops in the United States with about one-fifth as much labor as was required in 1830.[5] The ore-handling machinery used at Duluth and Cleveland—steam-shovels, electric hoists, Hulett unloaders, cranes—is often given as an instance of this substitution of capital for labor.[6] Mining machines, the steam-hammer, shoe machinery, and cigarette-

[1] Cf. Babbage, *Economy of Machinery and Manufacture* (London, 1832), pp. 190, *et seq.*, 244, *et seq.;* Ure, *The Cotton Manufacture in Great Britain,* pp. 260, 274, *et seq.;* Cunningham, *Growth,* vol. iii, p. 661; Smart, *Economic Annals of the Nineteenth Century, 1801-20* (London, 1910), pp. 337-341.

[2] Ure, *Cotton Manufacture,* vol. i, p. 233.

[3] Baines, *History of Cotton Manufacture* (London, 1885), p. 265.

[4] Ergang, *Maschinenproblem,* p. 152, *et seq.*

[5] Quaintance, *Influence of Farm Machinery on Production and Labor* (*American Economic Association Publications,* 1914), p. 29. *et seq.*

[6] Cf. Streeter, "The Machinery of the Steel Industry," *Engineering Magazine,* vol. xli, p. 385, *et seq.*

making machines possess this same uncanny if not diabolical power.

The defenders of machinery, however, claim that displacement is only apparent or, at most, temporary; that cheaper methods of production bring lower prices and thus stimulate a corresponding increase in the demand for goods; and that the increased output required soon affords employment for just as many men as before. The manufacturer, they declare, is compelled willy-nilly to pass the advantages of the new process along to the public; and the workers themselves share in the gains as consumers. Assuming a stable income and a constant outlay on the part of consumers, it is clear that, if they find they can buy a certain commodity more cheaply, they will either buy more of it, or will divert as much or more of their income to some hitherto unsatisfied wants. If bottles are cheaper as a result of the general introduction of the Owens machine, more people will use bottles, those who already use them will use more, or, barring that, will spend more on the contents. Thus, places will be opened up for the former bottle-blowers, either within the same industry, or in related occupations to which they can quickly adapt themselves.

The history and progress of machine-production lend much support to these contentions. It was the existence of a greater demand resulting from a wider market and a rising standard of living, in the face of a scanty labor-supply, that brought about the Industrial Revolution. The more extensive use of automatic machinery in the United States than abroad has itself been the outcome not so much of superior Yankee ingenuity, as of a relative labor-shortage. Our industries could not have developed otherwise; hence we have here more employment and in much greater variety because of the aid of machinery, and the harnessing of our rich natural resources which it makes possible. Many tremendous enterprises, like the construction of railways and the digging of the Panama Canal, could never have been undertaken and completed without such equipment. The very cost of installing the new system, together with the limitations set by patent

laws, insures that the change will be made gradually and only after it is needed, affording plenty of time for readjustment. Some of the labor formerly employed in the less efficient mode of production can pass over to the production of the machinery itself; some of it will be needed to supply the increased amount of raw materials and intermediate products; but much of it will soon be needed to operate the new devices within the same industry.

Once the *mechanizierung* of an industry has taken place, heavy fixed charges give the enterpriser a strong incentive to keep things running continuously, by lowering his prices and promoting the sale of goods in every way possible. Suspension is costly to capital as well as to labor. And since the supply of one commodity potentially constitutes the demand for a whole group of other commodities, the great change reverberates throughout the whole industrial field and awakens other trades into newness of life. There can be no such thing as a general oversupply; hence no decrease in the aggregate demand for labor. The number of persons employed in given industries of a particular state or country may show a decline over a period of time because of commercial and industrial readjustments. But taking the United States census figures as a whole, there have been almost no exceptions to the rule that, whatever the changes in method occurring, each decade has shown an increase in the number engaged in every important manufacturing industry.[1]

Yet it would be foolish to assume any such automatic relationship between the introduction of labor-saving methods and the increase in the demand for goods as will guarantee protection in every case to the workers against

[1] The number of wage-earners employed about blast furnaces in the United States decreased 10.6 per cent from 1899 to 1904 "due to improvements in equipment and methods." (*Thirteenth Census,* vol. x, p. 208.) In the milling industry there was a decline of 21.8 per cent in the number of wage-earners between 1889 and 1899 due at least in part to "the use of automatic machinery." (*Ibid.,* p. 406.) In New York State, the Commission on Employers' Liability and Unemployment some years ago noted a decrease in the number of persons employed in nine out of sixty-one industries. (Cited in Tannenbaum, *Labor Movement* (New York, 1921), pp. 13-14.) England is perhaps experiencing some such adjustment in the coal and shipbuilding industries.

hardship or a possible deterioration in their condition. Wants are admittedly elastic enough, and every normal human being has a long waiting-list of them to be gratified. The element of purchasing power, and especially of its distribution, is more doubtful, and comes up for examination in a moment. It is admitted that prices tend to fall with improvements in manufacture and that, as soon as the new method has become universal in its application, all element of profit attributable to its introduction and accruing to its original users ceases to exist. But will they fall enough? A check to the economies of the new method and to the ability of the producer to lower prices and stimulate demand exists in the normal tendency of the other major item in cost, that of raw materials, to go on increasing even when labor-cost has been reduced. Machine-production applied to extractive industries and to transportation has, to be sure, lowered the labor-cost of raw materials and thus delayed the full operation of the law of diminishing returns to which they are particularly subject. In a new country like the United States, where fresh supplies of natural wealth have been constantly uncovered, the working of the principle is obscured and the day of reckoning seems long deferred. Prior to the War, however, there was some indication that the cost of raw products, such as those of the farm and the lumber industry, and of the leading fuels, was increasing considerably more rapidly than the rise in the general level of prices, special causes in these essentials being superimposed upon the underlying factor of increased gold supply and credit.

The relative price-changes in recent years have been disturbed and complicated, so that they offer, perhaps, a less positive basis for generalization.[1] The ultimate trend can, none the less, hardly be doubted. In so far as raw materials come to have a scarcity or monopoly value, and a heavier tribute has to be paid to the owners of the limited natural resources from which they are derived, it will be impossible

[1] Cf. Bureau of Labor Statistics, *Wholesale Price, 1890-1922* (Washington, 1923), esp. p. 24, *et seq.;* Seligman, "High and Low Prices," *Independent* (New York), vol. lxvi (1910), p. 674, *et seq.; Thirteenth Census,* 1910, vol. x. pp. 94, 208, 334.

for prices always to fall in proportion to the diminished labor-cost of manufacture effected by machinery, and hence for the elasticity of demand always to come to the rescue. Labor has a special reason for being interested in the land question and conservation movement.

What has been said up to this point pertains chiefly to the quantitative aspect of the demand for labor—the effect of machinery and capitalistic methods in general, upon the *number* of laborers employed. Indeed, most discussions of unemployment even by the workers themselves have been confined to this aspect. Equally important, however, in its effect upon wages and the security of labor is the question of the relative *skill* required by modern machine methods. Does the laborer contribute more of his individuality to the product or less than before? Is the effect of machinery to dethrone skill and to reduce all or practically all labor to a common level?

Upon this matter there has been a marked difference of opinion. The early eulogists of machinery, like Babbage and Dr. Ure, have been followed by Professor Nicholson, Professor Levasseur, Marcel Gras, and Dr. Ergang, who leave little doubt that machinery has intellectualized labor, added to its ease and dignity, or, if it has displaced one kind of skill, has substituted for it another kind.[1] On the other hand are the critics of the factory system—Karl Marx, Cooke-Taylor, John A. Hobson, and Arthur Pound, among others—who see skill reduced by the machine to an "infinitesimal quantity," the man becoming merely an appendage, and a premium being placed upon those "qualities of mind and body which not only differ less widely in different men, but in which women and children are more nearly on a level with men."[2]

[1] Babbage, *Economy of Machinery and Manufacture* (London, 1832), p. 229; Nicholson, J. S., *The Effects of Machinery upon Wages*, pp. 82-92; Gras, Marcel, *Du Machinisme et de ses consequences economiques et sociales dans l'industrie moderne* (Paris, 1911), pp. 59-61; Ergang, *Maschinenproblem*, pp. 139-141; Levasseur, *Comparaison du travail à la main et du travail à la machine* (Paris, 1900), pp. 65, 72-75.

[2] Marx, Karl, *Capital* (Humboldt ed.), pp. 257-264; Cooke-Taylor, *Modern Factory System*, pp. 34, 75, 155; Hobson, J. A., *Evolution of Modern Capital-*

It is possible that different writers have had different things in mind in using the term *skill*. The most satisfactory test of the degree of specialized skill (as opposed to mere dexterity or alertness) required by an operation is to be found in the length of time which it takes an individual of average intelligence to master it—and therefore the ease with which his place can be filled should he be discharged, or strike, or die, or otherwise quit his employer's service.

Our analysis of the composition of the working-class has indicated how large a proportion of its members have come into the industrial field without previous training or experience, except perhaps in agriculture. One large element in the English manufacturing population was seen to be the agricultural laborers who migrated to the towns; and much the larger portion of the recent immigrants to the United States is of the same class. Of the foreign-born workers studied in 1910 by the Immigration Commission, only 8.6 per cent of those in the iron and steel industry had been employed in the same industry abroad while 64.4 per cent had been farmers or farm laborers. In slaughtering and meat packing only 5.1 per cent of the foreign-born employees had had previous experience; 58.4 per cent were farmers or farm laborers. In the hazardous industry of bituminous coal mining only 20 per cent had worked at it in the old country, while 58 per cent had been agriculturists. Cotton goods manufacturing is certainly a typical machine-industry. Yet here only 15.8 per cent of the foreign-born men employed had been engaged in the same industry in Europe; and 56.2 per cent were of the farming class. So it has been with other industries.[1]

Another large element in the working population we have seen to be women and children—more than 8,500,000 women and over a million children so engaged in the United States in 1920. These certainly have in most cases served no long

ism (1917), pp. 349-350 and chap. xiii; Pound, Arthur, *The Iron Man in Industry* (Boston, 1922), pp. 22, 51, 54.

[1] Immigration Commission, *Report*, vol. i, p. 297, *et seq.*

apprenticeship; and a large proportion of them regard their connection with industry as but a temporary makeshift.

The processes which are typically performed by machinery are either those requiring greater power than it is economically possible to obtain from human beings, or those involving exact repetitions and nice measurements. The task of the operative is usually that of feeding the material into the machine; or, if this is itself done by automatic devices, to make slight adjustments when a process is begun or completed, and quick repairs when anything goes wrong. This demands an insect-like attention and the alertness of the startled deer, far more than a high order of skill or intellectual ability.

The textile industries, as the first domain in which the new system was applied, offer notable instances. With the aid of ring spindles which, especially since 1890, have more and more superseded mule spindles; with warp-tying and drawing-in machines; and with the Northrup-Draper automatic loom, requiring so little attention that a single operative now tends from fourteen to thirty of them at once, American cotton manufacturers have largely emancipated themselves from dependence upon skill.[1] The superintendent of a large New England mill once declared that he could replace fully two-thirds of his employees within a few weeks at the most. Much the same thing in a somewhat less degree has occurred in the woolen and worsted industry.[2] Admit that the yarn spun is not always of the highest counts, that the cloth has not yet won the prestige of the "imported," that there is still value in the tradition that pervades an old textile mill town in England or in Massachusetts, that there are, in any case, certain processes like wool-sorting, loom-fixing, and some of the finishing touches in the wool trade, that refuse to be reduced to a mechanical or routine basis; yet the rapidity with which new and successful mills have been introduced in the

[1] Commissioner of Labor, *Report on Women and Child Wage-earners*, vol. i (Cotton Textile Industry) (Washington, 1910), p. 32, *et seq.*; Copeland, *Cotton Manufacturing*, pp. 69, 82, 86.

[2] *Woman and Child Wage-earners*, vol. xviii, p. 326, *et seq.*

South, as well as the composition of the working force in the average mill anywhere, shows how far the dominion of the machine has been extended.

Mining machines, mechanical loaders, and more standardized methods generally are, as Carter Goodrich points out, introducing the "new discipline" into the more progressively managed bituminous coal mines, and making them more like factories.[1] In the canning industry the sealing of the cans, which was formerly a skilled and highly paid job, is now accomplished by machines tended by unskilled labor. The tobacco industry in both the cigar and the cigarette branches is often described as a wonder of automatonism.[2] American watches are a triumph of standardization and machine methods. The making of machines themselves is increasingly a machine process, as shown in automobile manufacture, where lathes, screw machines, planers, gang-drills, and other machine-tools are placed in charge of "specialists" quite unfamiliar with the machinist's trade as a whole.[3] The pattern-makers alone, of all the metal trades, have been able to resist the tendency toward dismemberment and the dethroning of skill.[4] Even the aristocratic steam engineer finds his position threatened by electrification. It takes only ten days or two weeks to train a motorman or conductor on the street railways.

Doubtless the attempt to abolish skill has often been carried too far. The deadening influence of specialization and of the splitting up of trades has been recognized by some large corporations like the General Electric Company, the Westinghouse Electric and Manufacturing Company, and the Baldwin Locomotive Company; and within the past twenty years they have conducted regular apprenticeship systems to train young men in all branches of the different trades. These apprentices, however, represent only a small fraction of the

[1] Goodrich, *The Miner's Freedom* (Boston, 1925), esp. chap. iv.
[2] Cf. *Woman and Child Wage-earners*, vol. xviii, pp. 77-91.
[3] Cf. Frederick, "Automobiles by the Million," *Review of Reviews*, vol. lii, p. 457, *et seq.*; *Machinists' Journal*, March, 1913, p. 257, *et seq.*
[4] Cf. Lutz, *Metal Trades* (Cleveland, Ohio, 1916), pp. 438-442.

employees, and their functions upon completing their training are chiefly those of supervision and research.[1]

It is sometimes argued that increased wealth and the extravagant tastes of the well-to-do will continue to provide a demand for services and for artistic hand-made products. And a considerable amount of skilled or semi-skilled labor has been diverted into these channels. Even here, however, it is not firmly entrenched, since devices of a more or less automatic character are continually being supplied to take the place of personal service; and articles of luxury tend to become more and more general in demand, so that they tempt the introduction of clever machine-made imitations.

It is, of course, not true, whatever the net effect of machinery upon the importance of skill, that the skilled laborer is more likely to appear in unemployment lists or to be in distress than his unskilled compatriots, though even here there is some difference of opinion. Mr. Beveridge holds that there is no conclusive evidence that skilled labor secures more regular employment. "The skilled man," he says, "holds out for a job in his own particular line; the unskilled man will take anything he can do." [2] Several skilled trades which are subject to seasonal variations, such as glassworkers, paper-hangers, plasterers, bricklayers and masons, have shown a higher percentage of unemployment in census figures than "laborers not specified." Painters, carpenters, and stone-cutters have sometimes been almost as high.[3] The Mayor's Commission in Spokane in 1914-15 estimated that only 37 per cent of the unemployed in that city were unskilled. The average superintendent of an employment agency, on the other hand, would laugh at one's ignorance if he were asked which class constituted the largest element in his list of applicants, so great is the predominance of the unskilled among those who ask for help. The Chicago Department of Public Welfare, in discussing the great amount of unemployment in the foreign neighborhoods of the city in 1914-15, ascribed it to "the fact

[1] General Electric Company, *Shop Apprenticeship for Boys* (circular); Pound, *op. cit.*, pp. 22-23.

[2] Beveridge, *Unemployment*, p. 21.

[3] Cf., for example, *Twelfth Census, 1900, Occupations*, p. cexxxii.

that many of the workers in these localities are unskilled laborers . . . and it is at this point that contraction or expansion can most easily come."[1] In the same winter the Commercial Club of Louisville, Kentucky, found that 63 per cent of the cases of unemployment investigated were those of unskilled workers; and the Associated Charities of Pittsburgh placed the proportion in that city at 85 per cent.[2] Dr. Brissenden and Dr. Frankel found in their study for the Bureau of Labor Statistics that "skilled workers are about twice as stable as semi-skilled or unskilled."[3] Very likely this is partly due to the desire of employers to maintain a fairly steady skeleton force of skilled men whose place it would be hard to fill, and partly to the craft-pride among trained workers which Mr. Beveridge refers to. Skilled workers often have savings to fall back upon or get assistance from their unions during slack periods, so that they are less of a problem for the community.

In final analysis, however, there seems little question but that machine production has been much more of a boon for the relatively untrained and inexperienced worker than for the man of traditional skill. It has opened up to him many occupations which were previously closed, and has increased his output and presumably his wages, through his ability to co-operate with the most improved forms of technical equipment. A boy or young man who can quickly obtain a comparatively high wage as a machine-tender can hardly be seriously blamed for not choosing to undergo the long and arduous apprenticeship necessary to qualify for a highly skilled trade, at which, when he learns it, his pay may not be much more. Whatever hardships may have been suffered by the dethroned skilled worker in the period of the Industrial Revolution in Great Britain, who saw "clodhoppers" and women supplant him, the recognition of what industry now requires is now so complete, and the readjustment so far

[1] *American Labor Legislation Review*, November, 1915, p. 486.
[2] *Ibid.*, p. 486.
[3] Cf. Bradford, *Industrial Unemployment* (United States Bureau of Labor Statistics, *Bulletin* no. 310), pp. 10-11.

carried out, that there is perhaps little cause for weeping or maudlin sentimentality.

The really grave cases of unemployment are those which are due to fluctuations in the demand for labor on the part of a given employer; or within a given industry at different seasons; or more or less periodically within practically all lines of industry at the same time—what Mr. Beveridge and others have called, respectively, *casual, seasonal,* and *cyclical* unemployment.

Casual unemployment is typified by the day-by-day, even hour-by-hour, variation in the need for longshoremen or dockhands in the shipping industry. But there are other industries where the same policy of labor-management gives rise to a more or less constant fringe of unemployed, holding on because they do not know what else to do, or in the hope that the future will treat them better than has the past. The whole problem is really one of a faulty organization of the labor market already discussed, for it arises chiefly from the effort of each employer to divide up the work as it comes in—for example, when a big ship arrives—and to maintain his own reserve of labor at the gates, always at his beck and call; whereas the really merciful and businesslike policy has been shown in Great Britain to be the pooling of reserves and quick communication and transference from one workplace to another.[1] It is closely allied to the still more difficult situation presented by the overdevelopment and overmanning of certain industries, such as coal mining, referred to above.

Seasonal unemployment cannot be called the special product of modern capitalism. Class divisions and the whole mechanism of style, and what Professor Veblen calls "conspicuous consumption," played upon by profit-seeking commercial men and manufacturers, have undoubtedly aggravated it. But, as its name implies, it is fundamentally the

[1] Cf. Beveridge, *Unemployment,* chap. v; Webb, *Prevention of Destitution,* pp. 129-132; Barnes, *Longshoremen* (New York, 1915), p. 57; Lewisohn, Draper, Commons, and Lescohier, *Can Business Prevent Unemployment?* (New York, 1925), pp. 41-50; Lascelles and Bullock, *Dock Labour and Decasualization* (London, 1924), chaps. v and x.

outcome of changes in the weather and the seasons of the year, which, for one thing, cause different kinds of goods to be demanded at different times, and, for another, favor or retard the production of certain goods. Agriculture and some others of the less highly capitalized industries are, in fact, more subject to it than most of those where machinery has been extensively introduced; and, conversely, capital has hesitated to embark heavily into industries where it can be employed only part of the year, as in many branches of the clothing industry. Here, in particular, the element of style has been so superimposed upon that of seasonal change as to make it impossible to predict what will be demanded even a few weeks hence, and thus either to carry over last year's goods or to produce next year's stock beforehand. The extent of the variation in employment, however, in some industries producing non-style goods is very great. For example, in 1919 the minimum number of persons employed in the canning and preserving industry in the month of March was only 18 per cent of the maximum number employed in September. The corresponding figure for the fertilizer industry was 54.9 per cent; for brick and tile manufacture, 61.4 per cent; for automobiles, 71 per cent; for slaughtering and meat products, 80.4 per cent; and for manufactured ice, 50.6 per cent.[1] The building trades, and certain other trades still retaining much of their handicraft character, are proverbially seasonal in the degree of their activity.

For all of its statistical importance, seasonal unemployment is not now regarded as the most grievous form, nor the one least capable of remedy. The busy and dull seasons in different trades vary so widely that the aggregate number of persons employed in all industries remains almost constant throughout the year. That at once suggests that either by employers' taking steps to introduce supplementary lines to fill up slack seasons, or by the employees' turning to dovetailing employments when their major occupation fails, much of the evil can be relieved. Skilled labor, which does not aspire at all to the title of "jack of all trades," has hitherto

[1] *Fourteenth Census*, vol. x, pp. 67, 697, 794, 869, 957, etc.

shown itself less willing to resort to alternative employments; and there are acknowledged difficulties in finding such as do not have partly overlapping seasons. This unwillingness and this lack of mobility, however, in so far as they have a reasonable basis, help to insure that the wages in seasonal occupations will be high enough to compensate partially at least for the irregularity from which they suffer. The very ability to foresee that fluctuations will occur makes it more easy to guard against or to provide for them. It serves to put preventive and remedial measures on a more scientific basis.

Better methods of cost-keeping and a clearer recognition of the importance of labor-management have, indeed, convinced a considerable number of firms that it pays to regularize their business to a much larger extent than they formerly believed possible, and to hold together a fairly steady working-force throughout the year. An analysis of the market and a proper use of salesmanship have shown that the peaks and slumps in the employment curve are often not inevitable, but can be largely smoothed out. Even style has been partially curbed. Manufacturing for stock during otherwise dull periods has been made possible by standardization and reduction in the number of advertised models—the plan followed by the Regal Shoe Company; and expanding the market to sections of the country or foreign countries having different seasons, somewhat as the Pullman Company is able to utilize its equipment and personnel according to the seasonal migrations of the human species, has likewise given a more even demand and lessened the waste for all parties.[1]

The Dennison Manufacturing Company, makers of holiday cards and tags; Procter and Gamble of "Ivory Soap" fame; the American Radiator Company; the ubiquitous Ford Motor Company; Joseph and Feiss of Cleveland, and Hickey-Freeman of Rochester, manufacturers of men's clothing; and the Hill Brothers Company, packers of "Dromedary Dates," are among the more notable examples of concerns following

[1] Cf. Federated Engineering Societies, *Waste in Industry* (Washington and New York, 1921), pp. 11, 18, 32, and chap. xi.

this enlightened policy.[1] President William C. Proctor, in justifying his guarantee of a minimum of forty-eight weeks' employment per year, declares that "the company draws a two-fold advantage from it. We are able to schedule our production to run regularly. Then there is the fact that we are going to increase the contentment of our employees, to solidify their interest in the company." [2] Mr. Henry Dennison whose organization has gone even further, says that they have had more benefit from this step than from any other managerial device. "Unemployment insurance is an investment for employers. It should bear dividends." [3] In the clothing industry of Chicago and New York, employers and employees are conducting with mutual satisfaction a joint plan of unemployment insurance, and are finding that it reacts noticeably toward longer seasons of work. The Committee of the President's Conference on Unemployment sponsored by Mr. Hoover has demonstrated how much can be done to regularize even the construction industries.[4]

The only difficulty is that these steps have been so late in their beginning and so slow in their progress as to give little hope that industry will of its own initiative solve the problem and eliminate seasonal unemployment to the utmost. Competition within each trade is often so intense as to make employers hesitate; and anything like insurance, if it is to be sound, demands inclusiveness and large numbers. Investigators for the American Association for Labor Legislation some years ago, after a careful survey of the whole question, were constrained to report: "But just as widespread attention to factory safety was only secured through the financial

[1] Cf. Lewisohn, Draper, Commons, and Lescohier, *op. cit.*, chap. ii; Stone, N. J., "Can the Worker Be Guaranteed Continuous Employment," *Proceedings of the National Conference for Social Work*, 1922, pp. 310-315. The most thorough treatment of this subject is given in Feldman, H., *The Regularization of Employment* (New York, 1925), chaps v-x.

[2] *American Labor Legislation Review*, vol. xiii (1923), p. 200. Cf. also *Ibid.*, pp. 198, *et seq.*, 238-239.

[3] *Ibid.*, vol. xiii, p. 46.

[4] *Seasonal Operation in the Construction Industries* (New York, 1924), esp. pp. v-viii, xi-xxvi and chaps. viii-x.

pressure of workmen's compensation laws, so it is probable that large-scale regularization of industry is dependent on the financial compulsion of public employment insurance." [1] In the light of more recent developments in certain industries, just adverted to, the opinion of some leading American students is obviously more hopeful. They are willing to rely more fully upon private, if not absolutely voluntary, efforts. The legislative measures to which they give sanction, as, for instance, the Huber Bill in Wisconsin, are such as look toward prevention rather than relief—give employers an incentive to go as far as they can toward regularization.[2] Apparently, modern capitalism often needs a teacher and it does no harm if the teacher carries a whip.

Cyclical unemployment is the form which catches the worker most unprepared, and which makes him most bitterly question the justice and fairness of existing arrangements and institutions. It has been more effective than all the propagandists in converting men to socialist doctrines; and the socialists, as the theorists of the labor movement, have devoted much attention to explaining the phenomenon of crises and depressions. They find in them evidence of the planlessness of the capitalistic system of production for profit; and regard them as the logical consequences of an unequal distribution of wealth and income, which gives to one class more than it can possibly consume, while it denies to another the purchasing-power necessary to satisfy any but its most pressing wants. The seeming plethora of goods on the market during a period of depression is thus not really the result of overproduction, but of underconsumption. Enforced saving on the part of the rich brings added capital and increased power to produce, without a corresponding growth of the market. Since production under capitalism is carried on only for a profit, it suspends operations as soon as profit ceases;

[1] *American Labor Legislation Review,* November, 1915, pp. 586-587.

[2] Cf. esp. Lewisohn, Draper, Commons, and Lescohier, *Can Business Prevent Unemployment?,* chaps. i and vi, esp. pp. 187-191; Johnson, Herbert, "Unemployment Prevention Insurance, an Aid to Stabilizing Business," *American Labor Legislation Review,* vol. xiii (1923), pp. 241-243; Feldman, *op. cit.,* pp. 402-404.

and a period of enforced idleness follows. Thus runs the favorite labor theory of business cycles.[1]

The problem of crises is one of the most difficult in the whole range of economic inquiry, and explanations have been many and varied. The chief criticism to be made upon most of them, including, perhaps, even Professor Jevons' fantastic sun-spot theory, is not so much that they are wrong, as that they are incomplete. Crises are typically a phenomenon of the capitalist system of production, and have "appeared on the largest scale and with the widest effects since the Industrial Revolution, and in the countries whose progress has been most rapid."[2] They have often been practically contemporaneous in all industrial countries, and their apparent periodicity has tantalized, at the same time that it has baffled, economic writers. Those of 1818, 1837, 1857, 1873, 1893, 1907, 1914-15, and 1920-21 have been the most severe in the United States.

The sequence of events in every case has been about as follows: Beginning with the psychological fact that active, forceful men are unusually optimistic, some auspicious circumstance, such as good crops, a strong foreign demand for goods, some new discovery or invention, awakens them from a period of lethargy and gives them courage to embark upon new ventures or to enlarge old ones. The period of relative quiet which has preceded such revival has tended to reduce costs to a low level; wages, interest rates, and the price of raw materials are at a minimum. But looking into the seeds of time, the enterpriser thinks he can detect signs of growth; and he sets to work to prepare for the anticipated demand. He tears down his barns and builds larger. So interdependent are the different branches of industry that a stimulus to one

[1] Cf. *Communist Manifesto* (trans.) (New York, 1898), pp. 20-21; Marx, *Capital,* chap. xxv, sec. 3; Engels, *Socialism, Utopian and Scientific* (London, 1892), pp. 64-65; Engels quoted in Ensor (ed.), *Modern Socialism* (New York, 1907), pp. 24-26; Jones, *Economic Crises* (New York, 1909), chap. v; Hobson, *Modern Capitalism,* chap. xi; Hobson, *Economics of Unemployment* (London, 1922), esp. chaps. ii-iii.

[2] Taussig, *Principles of Economics* (New York, 1921), vol. i, p. 391. Cf. Fetter, *Modern Economic Problems* (New York, 1922), p. 139; Jones, *op. cit.,* pp. 1-9.

revives the others all along the line. There is a great demand for structural materials, intermediate products, and, very soon, for consumable goods. The wave gathers momentum; manufacturers extend credit to wholesalers, wholesalers to jobbers, and jobbers to retailers. The banks are called upon to finance these hopes for the future. The stock market is buoyant and stock prices inflated. Rising costs, instead of proving a check, now excite expectation of still further advances and promote buying. Employment is active and wages good. Everyone is "upward striving."

In so far as these hopes and expectations are well founded, all is well. But under conditions of world-wide competition, a roundabout process of production, and the growing importance of fixed capital, the danger is that too many men will have thought alike, that they will all commit their capital and as much as they can borrow from others, quite irrevocably to the same industries, with the hope of winning the same customers. The result is duplication, overinvestment, overspeculation. Operating costs for labor and materials, and interest charges rise, while cut-throat competition prevents anyone from making a profit. Some inauspicious event—the failure of a bank or large enterprise, bad crops, or a political shock—punctures the bubble. The crash comes. Credit collapses; manufacturing and commercial operations are curtailed or even suspended; and a period of liquidation and unemployment succeeds. After a seasoning process of this kind, during which cost items are again reduced, the weaker firms eliminated, and the stock of goods depleted, the way is ready for another boom.[1]

Whatever explanation we may accept for this course of events, we cannot wholly absolve our commercial capitalistic economy from responsibility for the miscalculations which apparently give rise to it, and for the dire consequences which follow. The charge of "oversaving" on the part of a well-to-do class does not on its face appear very convincing, because the resulting increase in expenditure for capital-goods,

[1] Cf. Mitchell, *Business Cycles* (University of California, 1913), for one of the best accounts of the different steps in the history of crises.

and the relative cheapening of capital, quicken enterprise and presumably lower the cost of production and the selling-price of goods, so that the same incomes will buy more of the increased supply of goods. The aggregate demand for labor is not diminished. But the concentration of wealth and income does help to promote that reckless speculation and overcapitalization which offers the proper soil for crises. And there is certainly this much truth in the underconsumption theory, that once a slump in business begins and unemployment comes, it is cumulative in its influence. The buying power of those who are out of work is greatly curtailed, and the evil quickly spreads to other industries relying upon their patronage.[1]

Upon the entire count of the demand for labor and the regularity of employment, therefore, capitalism stands only partially vindicated. In highly capitalized industries the interests of employer and employees with respect to continuity of operation and permanence of labor-force seem fundamentally the same. But even where it has been within the power of the employer to control the situation, this identity of interest has not always been recognized. Short-sighted management, overspeculation, and lack of proper co-ordination have often brought hardship and great losses to both parties. The elasticity of demand for goods in response to cheaper processes of production and lower prices has gone far to keep up, if not to increase, the demand for labor, although there is nothing automatic and inevitable about this result. The position of the unskilled worker in respect to demand has been relatively improved, whereas the skilled craftsman has at best hardly held his own. Furthermore, when new methods and new machines have been introduced, and the skill acquired by workmen is thrown upon the scrap-heap along with the old devices, the attitude of employers, where they have enjoyed a free hand, has frequently been ruthless and irresponsible in the extreme.

[1] Cf. Berridge, *Cycles of Unemployment,* chap. vi; Bradford, *Industrial Unemployment,* p. 45. For criticisms of the "underconsumption" theory, see Beveridge, *Unemployment,* pp. 58-64; Le Rossignol, *Orthodox Socialism* (New York, 1907), p. 61, *et seq.* Cf., also, Foster and Catchings, *Profits* (Boston, 1925).

CHAPTER IV

OVERSTRAIN AND SUPERANNUATION

1. INDUSTRY AND HEALTH

THE order of the universe is that most people shall work for a living. "When we were born, Jove laid this hard condition on us all." And despite what has been said about unemployment, there is normally some kind of work for everyone to do. Labor, however, is not an end in itself, but a means. The main questions that arise with regard to it are: What kind of living does it afford to the laborer? What are the conditions under which it must be performed? What risks and hardships does it involve, and how does it affect the health and welfare of the worker?

Certain occupations help to develop a man, to expand his nature, and to bring out the best there is in him physically, mentally, and morally; whereas others have the opposite tendency—to deform, mutilate, and destroy many of those who follow them. At this point we are chiefly concerned with the physical effects. Here it is found that industry has its victims, no less numerous and pitiful than those of war. A man who has lost an arm may, of course, be a valiant hero from the Argonne; but he may be only a railway brakeman, whose limb was hopelessly shattered in the course of his duties in a switchyard. The sight of an eye may have been extinguished by the fragment of a German shell, or by a flying bit of emery from a grindstone. Instead of being "gassed" upon the Western Front, a man may be overcome by noxious fumes in a chemical works or a rubber factory. Lead is no less deadly when absorbed in the course of one's labor as a painter or a potter than when received in the form of bullets.

It is acknowledged that the poor cannot afford to be sick.

"Be healthy or die" must be their creed. Once they fall down there is grave danger that they may never be able to rise again. Dependent upon each day's wages for a living, they cannot stop work and rest as soon as they feel ill. They must struggle on with diminished vitality, in the hope that the affection may prove but a passing one. Economy, perhaps ignorant and shortsighted, leads them to apply to the druggist for treatment rather than to the doctor. The best medical attendance even with the uncertain aid of charity is commonly beyond their reach. They are the victims of quacks, and easily become addicted to nostrums and patent medicines. Their limited means cannot provide the nourishing food and clean, wholesome surroundings needed for prompt recovery. Insurance or other provision for a rainy day seems impossible except for the well-paid minority. A prolonged illness or a period of disability due to accident on the part of the chief bread-winner means that those previously dependent upon him must quickly contrive to care for him, while at the same time earning enough to keep the family together. If he is taken away or—worse luck—lingers on in a state of permanent incapacity, woman labor and child labor are the natural consequences, and another generation of poverty and overwork follows. Even the last sad rites which love and social custom dictate may prove a heavy and enduring burden to those who survive.

Yet, grievous as is the burden of sickness and disability to the workers, they are subjected to dangers from both disease and accident far beyond those which confront other classes. Indeed, social workers agree that sickness is a primary cause of poverty and distress. Mr. and Mrs. Webb, writing of the three or four millions of destitute persons in the United Kingdom in 1912, declare that "with regard to at least one-third of these—we might almost say one-half—the recruiting sergeant who brings them in is Sickness, the sickness that, so far as concerns three-quarters of the population, we have proved to be preventable."[1] Charitable organizations in the United

[1] Webb, Beatrice and Sidney, *The Prevention of Destitution* (London, 1912), p. 16.

States have estimated that fully one-fourth of the distress here is brought about in this way.[1]

Dr. Frederick L. Hoffman, then statistician of the Prudential Life Insurance Company, estimated in 1910, upon the basis of German experience, that fully 40 per cent of American wage-earners incur a longer or shorter period of incapacity for work annually because of sickness or industrial accidents. The average number of days lost in this way he calculated at eight and one-half. This would mean that in the year mentioned some 13,400,000 persons lost approximately 284,750,000 days; that, at the then prevailing rate of $1.50 per day, the loss in wages alone was $427,125,000; and that, taking into consideration the cost of attendance and the disturbance and waste involved in the industries in which these persons were engaged, the aggregate loss from disease and accidents was at least $850,000,000.[2] To-day it would probably be fully twice as much.

Even this large sum fails to include the loss by premature death. Robert Hunter estimated that the death-rate among the highest class of wage-earners is 50 per cent greater than among well-to-do people; and that among the poorest class it is probably not less than three and one-half times as high as among the more fortunate.[3] The average longevity of the class of casual laborers in the United Kingdom is said to be about one-half that of clergymen.[4] The experience of the industrial department of the Metropolitan Life Insurance Company indicates that the mortality of occupied males for all ages above fifteen is considerably higher than that found in the registration area of the United States as a whole; that in the critical period from thirty-five to forty-four the rate

[1] Warner, *American Charities* (New York, 1908), p. 40; Hunter, *Poverty*, p. 143.

[2] American Association for Labor Legislation, *Conference on Industrial Diseases*, June 10, 1910 (New York, 1910), pp. 48-50.

[3] *Op. cit.*, p. 144.

[4] Webb, *op. cit.*, p. 16. Cf. Florence, P. S., *Economics of Fatigue and Unrest* (New York, 1924), pp. 309-310. Figures for England and Wales in 1900-02 gave a death-rate for clergymen between the ages of twenty-five and sixty-five of 51.5 per cent of the normal for the whole population, while general laborers had a rate of 211.6 per cent.

for men insured in this department was 58.2 per cent higher than that of the general population; and that in this same age-period the death-rate of industrial workers from tuberculosis alone was 121.6 per cent higher than in the population as a whole.[1] It is small wonder that the insurance companies demand higher premiums for this class of business, and that they have been one of the most active influences on behalf of improvements in industrial hygiene and safety precautions.

We have not far to seek for the insidious forces preying upon the health and lives of the workers. Overstrain from excessive speed and long hours—the special topic of the present chapter—is perhaps the most fundamental evil, since it supplies the soil for the others. Bad housing and living conditions often have industrial causes, and render the workers peculiarly liable to contagious and infectious diseases. The materials used in modern manufacture and the whole environment of the work-place are frequently such as to poison and undermine the constitution. Perils to life and limb lurk in the huge equipment and powerful natural forces with which labor is supposed to co-operate. And the grind, sordidness, and heartlessness which have so long characterized the whole system have eaten into the soul of the worker and made him a rebel.

2. THE PREVALENCE OF OVERSTRAIN

John Stuart Mill once stated that "it is questionable if all the mechanical inventions yet made have lightened the day's toil of any human being." Civilized man works harder than the savage because he wants more. Overstrain is one of the most common and fundamental evils of modern life. It is so prevalent in America as to have given rise to the term "Americanitis." Professor Fisher thinks that the great majority of our population, even including children, is suffering partial disability from undue fatigue.[2]

[1] Dublin, Louis I., *Mortality Statistics of Insured Wage-earners and Their Families* (New York, 1919), pp. 23, 52. Cf. Dublin, *Causes of Death by Occupation* (United States Bureau of Labor Statistics, *Bulletin* no. 207 (Washington, 1917)), p. 85; Florence, *op. cit.*, pp. 311-312. The contrast would be still more striking if we could have a purely non-industrial group.

[2] *Report of the Conservation Commission* (Washington, 1909), vol. iii, p. 669.

Fatigue is known to be due to the presence of toxic substances in the system; and if these are allowed to remain and accumulate they cause permanent impairment of the bodily organism, besides increasing the susceptibility to germ diseases. The prevalence of fatigue accounts for much of that nervous irritability and imperfect functioning of the vital organs which is known as neurasthenia; and, in combination with the intemperance in eating and drinking that often accompanies it, it explains in large measure the increasing liability of people of middle age to degenerative organic troubles, such as Bright's disease, diabetes, nephritis, heart disease, and arteriosclerosis. It is, indeed, a cause for grave concern that, whereas modern medicine has been so successful in combating infectious diseases, particularly those of children, and has thus in a very brief period increased the average longevity or expectation of life by more than a decade, the death-rate above the age of forty, largely because of the diseases above enumerated, has some of the time even shown a tendency to increase rather than to diminish.[1] Organic heart disease remained in 1924, as it had been since 1922 (when it superseded tuberculosis), the leading cause of death among persons insured in the industrial department of the Metropolitan Life Insurance Company.[2]

If it be true that "wars are for youth to wage," it is equally true that modern industry puts a premium upon youth. The

[1] Dr. Rittenhouse reported in 1912, as conservation commissioner for the Equitable Life Assurance Society, that the reduction in the general death-rate by some 25 per cent in thirty years had been accompanied by an actual increase in the mortality of persons of forty years and upwards amounting to about 27 per cent. (New York *Times*, October 6, 1912.) Dr. Dublin of the Metropolitan Life agreed in 1916 that there had been a slight increase in the rate above the age of forty-five between 1900 and 1914 but thought this and the greater prominence of degenerative diseases could be largely explained by: (1) the changing composition of our population, with an increase in peoples more subject to such diseases, and (2) marked changes in the classification and methods of reporting diseases. (*American Statistical Association Publications*, vol. xv (1917), pp. 511-523.) Between 1918 and 1921 he finds a tendency of the adult mortality rate to decline because of better control of tuberculosis and pneumonia. But of the degenerative diseases only nephritis showed any marked downward tendency. (Dublin, *Some Problems of Life Extension* (pamphlet) (New York, 1924), pp. 14-15.)

[2] United States Public Health Service, *Public Health Reports*, vol. xl (1925), no. 9, pp. 414-417.

maximum productivity and earning power of the worker is now reached at an early age. As the result of an inquiry into the relation between the age and the earnings of women in twenty-three selected industries, investigators for the United States Bureau of Labor came to the conclusion, that

> . . . with the exception of oyster canning and the manufacture of needles and pins, the largest proportion earning $10 or more a week was always found in the group aged twenty-five or over, but that in seven industries the proportion earning as much as $8 or over was larger in the group aged twenty-one to twenty-four, and in thirteen industries those aged twenty-five and over showed a larger per cent earning under $4 a week than was found in the younger group. Up to the age of twenty-four, increasing years bring, on the whole, an increase in earning power. Above that age they seem to have a double effect.[1]

In an American automobile plant employing 30,000 men, nearly one-half were found to be twenty-nine years of age or less, and more than four-fifths were below forty. Magnus Alexander found that the average age of 40,000 men employed in twelve metal-working establishments was thirty-one and one-half years; and the same was found to be true in a large steel plant and in a brass works. In the steel mill, only 23 per cent were above forty years of age.[2]

All this is but the natural outcome of the declining importance of skill and the emphasis placed upon vigor, alertness, and agility. The professions and certain skilled trades still offer opportunities for continued usefulness, and often greater responsibilities and rewards, to older and more experienced persons. Cases are many in which men in these grades do their best work after the age of forty. Probably most of the women above twenty-five in the more highly paid groups in certain of the industries studied by the Bureau of Labor were those who had acquired some specialized skill, or had been advanced to positions of supervision, and thus had an incentive to continue longer in the industry. The great mass of the workers under machine production, however, whether men

[1] Commissioner of Labor, *Report on Woman and Child Wage-earners,* vol. xviii, p. 26.

[2] Florence, *Economics of Fatigue,* p. 315.

or women, find that age and experience, with the fixed habits they bring, instead of proving a valuable asset (as under the quieter, less strenuous, and more stable handicraft system), often prove a handicap, because they decrease adaptability and lower efficiency. Modern industry mortgages the future for the sake of the present, and makes the workers prematurely old. At the same time it offers less and less employment suited to the abilities of older people. To retain such employees at their accustomed tasks after they have passed their prime and lost their vigor means that the tone and efficiency of the whole establishment is lowered. Senility and incompetence may be tolerated in the government service, but they cannot survive in business. Many concerns will not take on new men who are over thirty-five. The maximum age on the railroads is usually forty-five and the actual practice favors a much lower age. Gray hair makes it difficult for a man to find a new position.[1] Significant of this prejudice against old men even in government employment is the order of President Wilson in June, 1914, reducing the maximum age at which a person can take the civil service examination for unskilled laborer from sixty to fifty.[2] Similar testimony is given as to the attitude of employers toward the man above forty in England. "If he gets out of a job, God help him!"[3] The superannuated man of to-day is a much more pathetic figure than the one Charles Lamb describes. For not a few of these derelicts of industry, not old in years but broken in body, the poor-house becomes the only refuge.[4]

The moral and intellectual effects of overstrain are hardly less direct and inevitable. It is said that what we do under compulsion has little effect upon our characters; that they are formed by what is done voluntarily. The use made of

[1] Cf. *Workmen's Insurance and Benefit Funds in the United States, 23rd Annual Report of the Commissioner of Labor* (Washington, 1909), p. 275; *Report of the Massachusetts Commission on Old Age Pensions* (Boston, 1910), p. 137; Hendrick, Burton J., "The Superannuated Man," *McClure's Magazine*, vol. xxxii, pp. 118-120.

[2] New York *Evening Post*, June 19, 1914.

[3] Holder, Arthur E., in *Report of the Employer's Liability and Workman's Compensation Commission* (Washington, 1912), vol. ii, p. 941.

[4] Cf. *Massachusetts Report on Old Age Pensions*, pp. 254, *et seq.*, 230, *et seq.*

leisure is therefore more important for character-building than the nature of one's work. But the quieter pleasures of life possess little charm for an overwrought and disordered nervous system. The gentle flower of courtesy and a spirit sensitive to the best do not thrive in an atmosphere of hurry and bustle. The constraint and monotony of long hours of hard labor provoke a reaction toward something stimulating and sensational. To a weary worker or "the tired business man," a screaming melodrama or the non-intellectual phantasmagoria of the "movies" makes a stronger appeal than Shaw or Shakespeare. Yellow journalism or highly emotional fiction seems more palatable than the classics; the street, the dance-hall, and the saloon offer a glamor that is absent from the church, the lecture-hall, and the home.

The proposition still holds that work largely governs life. Long-continued strain upon a particular faculty tends toward a lopsidedness and lack of poise that interferes with the power of inhibition and is not conducive to the rational use of freedom and leisure. Exercise develops; but overstrain deadens and destroys.[1]

3. SPEED

The strain caused by modern industry has two dimensions: one, the intensity of the work—its speed, monotony, and noise; the other, the length of time which the work is con-

[1] Cf. Stelzle, Charles, "How One Thousand Workingmen Spend Their Spare Time," *Outlook*, April 4, 1914, pp. 762-766. This investigation indicates that men who work shorter hours are most attracted by clubs and lodges, that magazines are read chiefly by the eight- to nine-hour group, that books are read by fully twice as many of this group as of the group working eleven hours or over, public lectures attended six times as often by the former as by the latter—in general, "that the men who work a lesser number of hours per day use their spare time more wisely and more uniformly than do men in the longer-hour groups" (p. 766). Those in charge of the investigation of the twelve-hour shift in American industries about 1922 found conclusive evidence that where the working-day was shortened the leisure time was used to good advantage: in gardening, truck-farming, odd-jobs, and recreation. (Federated American Engineering Societies, *The Twelve-hour Shift in Industry* (New York, 1922), p. 216.) Further on the effects of overstrain, see Fisher, *op. cit.*, pp. 662, et. seq., Mosso, *Fatigue* (New York, 1904), *passim*. Goldmark, *Fatigue and Efficiency* (New York, 1912), part i, p. 9, *et seq.;* part ii, p. 2, *et seq.;* Kober and Hanson, *Diseases of Occupation and Vocational Hygiene* (Philadelphia, 1916), p. 253, *et seq.*

tinued. The product of these two factors gives a measure of the amount of energy required of the worker, and of the wear-and-tear upon his constitution. Neither is independent of the other, nor can either be considered alone, because a shorter working-day is usually accompanied by a "condensation of labor" and more intense activity.

Machine processes do not ordinarily demand great expenditure of muscular force, nor great skill and mental effort. They produce rather a strain upon the sensory nerves in keeping pace with rapidly moving objects and in making quick adjustments to prevent accidents and loss of time or material. The capitalist employer with heavy fixed charges to be met, and confronted with the probability that his equipment will depreciate quite as much through obsolescence as through wear-and-tear, is normally interested in securing not only continuous operation of his plant, but the most rapid operation consistent with the desired quality of output. Each machine must be made to earn its replacement fund as well as an income upon the capital embodied in it, before its day is done and it is thrown upon the scrap-heap. With the proper application of lubricants at intervals, the machine is practically tireless, whatever the speed at which it is run. The only limit, therefore, to the speeding-up process lies in the capacity of the operative.

The methods of securing the desired degree of celerity and nimbleness on the part of the worker vary with the trade and with the nature of the task to be performed. Sometimes the rate of speed is left, ostensibly at least, within the control of the worker himself. In other cases he is practically harnessed to the machinery, and the latter does the driving. The primary purpose of the division of labor and of minute specialization of tasks, aside from adaptation to the strength and skill of the worker, has been that quickening of the pace which comes only through constant repetition of a single operation. Scientific management is the present-day representative of this method whose advantages were fully recognized by Adam Smith in the pre-factory stage. The analysis, with the aid of a stop-watch, of the different steps in a given pro-

ductive process, serves to eliminate all unnecessary movements, and to determine just how much each workman should be capable of doing within a given period. And upon this charge of pace-setting and overspeeding rests no small part of the opposition of labor to scientific management.[1] The task-system, in which a group of workmen performing different processes are practically chained together, each being expected to keep up with the man ahead of him, has also offered opportunities for speeding.[2]

But the method of wage-payment has been the most common device for keeping the worker on the *qui vive*. Even under the simple, time-wage system there is essentially a piece-wage basis, since the employer has the power of discharge if the workman is not able and willing to keep above a certain minimum output. If it is a machine-process, the speed, size, or number of the machines which the operative must tend can be increased up to the maximum. Improvements in the production and transmission of power, and the increasingly automatic character of the machines themselves, have made this the more possible. The strain put upon the worker is, of course, not necessarily increased in proportion to the increase in output secured by this method. Yet the larger the area of machinery which the overlooker must watch and the greater the speed the greater, ordinarily, must be his alertness and the distance he must travel back and forth.[3]

The piece-wage system, however, is responsible for much of the feverish haste frequently observable in manufacturing establishments. Upon its face, a system that makes the pay of the worker depend directly upon the size of his output is the fairest and most desirable system for all parties concerned. If the employee overworks under such a system, it might seem to be his own fault, and he should take the consequences. But if the time-wage system is not independent of output, neither

[1] Hoxie, *Scientific Management and Labor* (New York, 1915), p. 171; also, p. 87, *et seq.*

[2] Cf. Schloss, W. F., *Methods of Industrial Remuneration* (London, 1892), chap. iii.

[3] Cf. United States Industrial Commission, *Final Report*, vol. xix, pp. 817-818; Goldmark, *op. cit.*, part i, p. 57; Marx, *Capital* (Humboldt ed.), p. 252, *et seq.*

is the piece-wage system independent of time. The machines must be efficiently used. Any employee that does not keep pace and turn out a certain minimum in a given time is regarded as cumbering the ground, and is discharged. The tendency is to fix piece-rates in the beginning according to the capacity of the more rapid workers; and the temptation is to cut down even these rates (perhaps upon the basis of some slight improvements in the equipment) when the operatives seem to be earning excessive wages per week The premium or bonus plan combines the piece-wage and time-wage systems, and is a common feature of scientific management and other efficiency schemes. A certain stint or standard having been set, to be completed within a stated time, the workman is spurred on to reach it, or even to exceed it, either by the threat of a fine or the promise of a small addition to his pay.

Examples of the use of these different methods of promoting speed and of the tremendous nervous strain which they bring upon the workers can be found in almost every industry. In the textile trades, in combination with a piece-wage system in almost every branch, there has been a constant tendency to speed up the machinery and to increase the size and number of machines tended by each operative. The number of looms per operative in cotton manufacture has been steadily increased from one or two up to twelve, sixteen, twenty-four, and even thirty-six. And in spite of the automatic stop device, the strain upon the attention and the amount of walking involved is very great.[1] It is fortunate, but still hardly fortunate enough, that the experienced telephone operator does not become so much excited as do some of the customers she serves, because she is sometimes expected to answer 225 calls per hour.[2] Conveying machinery in canneries and cracker factories supplies containers at a certain rate to the girls along the route, and thus enforces a certain speed.[3] Breaker-boys

[1] *Report of the Maine Bureau of Industrial and Labor Statistics,* 1908, pp. 42-43; Goldmark, *op. cit.,* p. 56, *et seq.*

[2] United States Bureau of Labor, *Investigation of Telephone Companies* (Washington, 1910), pp. 56-61.

[3] Cf. Butler, *Women and the Trades* (New York, 1911), pp. 36, 64; United States Commissioner of Labor, *Woman and Child Wage-earners,* vol. xviii, p. 169, *et seq.*

in the coal regions are supposed to conform the rapidity of their movements to that of the coal passing under them. Ex-President O'Connell of the Machinists' Union attributed the formation of the drug-habit and the use of hair-dye by some members of his trade, to the great mental and physical strain that has been wrought by the speeding up of machinery.[1]

In different branches of the glass industry there is ample evidence of the "pace that kills." Four distinguishable methods are employed to keep up speed in the manufacture of incandescent lamps: (1) the establishment of a minimum output; (2) such low piece rates as to compel rapid work in order to make a living; (3) the payment of higher rates or a bonus for increased output; and (4) the employment of pace-makers or "leaders," followed by a cut in piece-rates when the desired speed has been obtained. "There is a nervous strain, manifesting itself in a feverish concentration on the work, to be seen in most of the establishments and particularly in the larger and more modern plants."[2] It is not strange that the personnel of the working-force in such plants changes rapidly, so that the real effects of the system are obscured.

The most effective system of driving, however, is probably that which has been developed in the steel mills, as described by John A. Fitch:

> These men are paid by the ton and that of itself is a stimulus to increased activity. But this alone would never have been sufficient to bring out the speed achieved to-day. A gang-system makes speeding easier. Each man in a gang has to keep up with the others, and one gang has to measure up to the speed of the gang before. The furnaces can drive the roll hands and they in turn push the shearmen. The steel has to be kept moving. Put a strong, swift man at the head of the first gang and the steel does its own driving.[3]

Besides this, in the mills of the United States Steel Cor-

[1] "The Manhood Tribute to the Modern Machine," *Annals of American Academy*, vol. xxvii (1906), p. 491, *et seq.*

[2] *Woman and Child Wage-earners*, vol. iii, p. 478, *et seq.* Cf. also, Hayes, Denis, "Length of Trade Life in the Glass Bottle Industry," *Annals*, vol. xxvii, p. 496, *et seq.*; Butler, *op. cit.*, pp. 236, *et seq.*, 239, *et seq.*

[3] "Old Age at Forty," *American Magazine*, vol. lxxi (March, 1911), pp. 658-659. Cf. Fitch, *The Steel Workers* (New York, 1911), p. 182, *et seq.*

poration those in authority—the bosses and foremen—have been stimulated to the utmost by a bonus system and by appeals to the spirit of emulation in breaking records.[1] But of greater importance in times past than any of the above methods in promoting speed has been the cutting of the tonnage-rates themselves. In this way the men have been kept striving for new levels of speed and output, in order to maintain their accustomed weekly rate of pay. It is impossible to determine how far such cuts have been justified by changes in the work to be done; but the fact that they have often preceded rather than followed increases in output, and that they have been made in the case of piece-workers at the same time the wages of day-laborers have been raised, indicates "malice aforethought." Not only tonnage-rates but the actual earnings of rollers declined 16 per cent in the Homestead mills between 1892 and 1907, and those for other positions as much as 20 per cent.[2] In the hand-rolling mills there was a steady decrease in rates for most positions, and "these reductions in tonnage-rates have unquestionably had the greatest influence in increasing the daily production of the mills." [3]

4. MONOTONY AND NOISE

The strain produced by labor, however, depends upon the degree of variety it offers and upon the mental attitude which it inspires in the worker, quite as much as upon its rapidity. Labor may be defined as productive effort exerted for a gainful purpose. But that does not imply that it need be wholly unpleasant if not too long continued. Indeed, the degree of pleasure and interest which the worker finds in his duties greatly affects his efficiency, as well as the quickness with which he becomes fatigued. One does well what he likes to do, just as normally he likes to do what he can do well. Certainly, tastes should be consulted more carefully than financial rewards in the choice of an occupation. High-grade workmen

[1] Fitch, *Steel Workers*, pp. 187-188.

[2] Fitch, *op. cit.*, pp. 189-190.

[3] *Report of the Commissioner of Labor on Labor Conditions in the Iron and Steel Industry* (*Sen. Doc.* no. 110, 62d Cong., 1st sess.), vol. iii, pp. 368-369. Cf. also, p. 335, *et seq.*

whose trades have retained somewhat of the handicraft character, offering variety and the chance to display skill—the carpenter and the locomotive engineer, for instance—frequently come to have a sentiment of pride amounting almost to affection for the work of their hands and for the machines and implements which they use. The power and the control seem somehow to reside in themselves. That is the attraction possessed by all of the professions.

But what can be said for the great mass of machine-tenders, whose monotonous task only the most vivid imagination could clothe with life or with pleasurable human emotion? Specialization has reduced these processes to a tread-mill barrenness. Once they have been learned, the idea of excellence ceases to be associated with them. One who hour after hour, day after day, week after week, superintends the placing of a few stitches in the uppers of innumerable pairs of shoes which she never sees or thinks of as finished, artistic products for pretty feet could hardly be expected to break forth into singing—unless it be a doleful tune like "The Song of the Shirt." Yet such an operation is typical of those now performed by the larger number of workers in factories. Work to the large majority of them is solely a means of making a living, and all thoughts of pleasure, all tendencies toward spontaneous expression, are centered upon hours of leisure.[1]

Noise is another element in the strain of modern life and industry. It prevails almost without let or hindrance in every center of trade and manufacturing; and the larger part of it is "machine-made." If it is true that civilization overtaxes the eyesight, it is also true that it abuses the hearing. A newspaper reporter says that in walking a considerable distance up lower Broadway he met only one man who wore a smile upon his countenance; inquiry proved that the man was deaf. Noise murders sleep, drowns all conversation ex-

[1] Cf. Hobson, *Work and Wealth: a Human Valuation* (New York, 1914), pp. 61-62; Goldmark, *op. cit.*, part i, p. 58, *et seq.*; part ii, p. 42, *et seq.*; Engels, *Condition of the Working Class in England*, p. 177. Mr. Henry Ford thinks, however, that the average man prefers a monotonous or routine job. (*My Life and Work* (Garden City, 1923), pp. 105-106.) There are certainly plenty of such jobs in the Ford works and a high rate of speed set by the task or belt system.

cept that carried on in strident tones, and grates excruciatingly upon a sensitive organism. The form that most intimately affects the workers is, of course, the clatter and din of machinery within the walls of factories and shops. In many portions of a cotton or woolen mill, of a car-shop or locomotive works, as in numerous other plants, one finds communication with his guide completely shut off by the incessant buzz and whirr of machines and machine-tools. It is true that those who work in this noisy environment soon become so accustomed to it that they are unconscious of it. But nerve specialists and psychologists testify that the noise none the less makes its harmful impact upon the nerves. In some trades, as in boiler-makers, it frequently impairs the hearing.[1]

5. HOURS

Monotony, noise, and a high degree of speed are doubtless "inseparably connected and fast bound up" with modern industrial processes. Cheapness alone brings machine products within the reach of the great mass of the people; and the same things that produce cheapness lead to speed, monotony, and noise.

There is some hope, however, that these goods may yet be saved from becoming "cheap and nasty," in Carlyle's phrase, by such a shortening of the working-day as will safeguard the health of the workers and permit them leisure and strength for the pursuit of happiness. The hours of labor have from various motives—some connected with unemployment and some connected with health and a higher standard of living—been a bone of contention between capital and labor, second only in importance to the subject of wages, with which, in fact, they are closely associated. Each victory won by labor in this matter has been made a starting-point for new claims and struggles. The goal of its ambitions has successively advanced from eleven to ten, then to nine, with a tendency to skip rapidly to eight; and even this standard is no longer re-

[1] Kober and Hanson, *op. cit.*, p. 339, *et seq.*; Mosso, *Fatigue*, pp. 204-205. Cf. Goldmark, *op. cit.*, part i, p. 68, *et seq.*; "Effect of Noises on Hearing of Workmen," *Monthly Labor Review*, May, 1925, pp. 177-179.

garded as a finality in those trades where it has been achieved. Saturday half-holiday and the assurance of one-day-of-rest-in-seven, have also been sought and widely obtained.

The natural tendency of capitalistic enterprise is chiefly in the direction of long hours. The mediæval craftsman, working with his own capital, supplying his own power, and carrying through to completion the whole manufacturing process, had enjoyed great freedom as to his hours of labor and as to the time of beginning and leaving off work. Guild rules, it is true, commonly limited his efforts to the daylight hours, because it was thought that the quality of goods produced at night would suffer from poor illumination, if from no other cause.[1] Improvements in lighting, however, which have come with other inventions, have made it possible to turn darkness into daylight. Gas was first introduced as an illuminant in the cotton mills of England in the first decade of the nineteenth century, and was in quite general use in both stores and manufacturing establishments a generation later. Electricity has gradually superseded it since about 1880; and the improvements made in electric lamps have removed any remaining natural check to the hours of labor.[2]

The very technique of the system makes both for continuous operation of the plant and for uniform hours for all employees. The huge amount of fixed capital invested and the danger of depreciation through obsolescence, the facilities provided for the generation and application of power, and the co-ordination of departments and processes, all serve to make the individual workman but an atom in the highly complex organization. He and his fellows must keep the same hours. It is the age of the factory, whistle and the time-clock. The owner of a large tannery in Michigan was no doubt using good business judgment when he denied his employees the right, even though working on the piece-wage system, to put in shorter days during the hot summer months. His equipment would have been idle so much the more of the possible

[1] Levasseur, *Histoire, avant 1789*, vol. i, pp. 320-321.

[2] Bell, *Art of Illumination* (2d ed., Boston, 1912), p. 86; Nichols, "Electric Lighting" in Johnson's *Encyclopædia*.

working-time. Certain processes of manufacture indeed, require a long period for their completion, and may even demand constant attention day and night, seven days in the week. So it is in paper-making, in glass manufacture, and in the operation of blast furnaces. Other industries, like railways, hotels, telephones and telegraphs, lighting and power plants, are "continuous" for the sake of the public safety and convenience, as well, perhaps, as on account of the immense capital or the technical processes involved. In these cases the only question is as to the number and the length of the shifts: one long shift, if that is possible; two long shifts occupying the full day; or three shifts, each of eight hours.[1]

Omitting outside pressure and left to his own devices, there is little question as to which of these alternatives the average employer would prefer. It is true that much convincing testimony has been collected and advanced to show that from the standpoint of efficiency and output—the better health and greater contentment of his employees, the reduced labor turnover, the diminution of tardiness and absenteeism, the higher speed of operation made possible, and the decreased liability to mistakes and accidents—the employer has gained and not lost through the establishment of the shorter working-day, even through the eight-hour maximum. State bureaus of labor, the Industrial Commission of 1900, and several leading companies who have experimented with the eight-hour day have all offered such testimony.[2]

But all through the course of capitalistic development the practice has been mainly the other way. It was a form of economy resorted to in the early British factories to have two twelve-hour shifts, so that the machines could be kept running and the beds never be allowed to become cold.[3] Benev-

[1] Cf. Federated American Engineering Societies, *The Twelve-hour Shift in Industry,* chaps. ii and v.

[2] Massachusetts Bureau of the Statistics of Labor, *Report,* 1881, p. 457; Commissioner of Labor and Industry of Maine, *Report,* 1890, p. 187; United States Industrial Commission, *Report,* vol. xix, p. 788; Cf. Pickering, Ruth, "Sudden Spread of the Eight-hour Day," *Survey* (New York), vol. xxxvi (1916), p. 7; Frankfurter and Goldmark, *The Case for the Shorter Work-day* (Bunting *v.* Oregon) (New York, 1915), esp. vol. ii, p. 621, *et seq.*

[3] Gaskell, *Manufacturing Population of England,* p. 176; *Laboring Classes in England,* by an Englishman (2d ed., Boston, 1848), pp. 62-63, 85.

olent employers like Robert Owen might introduce better conditions and prosper by them; but only the force of the law, mainly after 1850, brought the shorter day even for children and young persons.

As labor was somewhat more scarce and independent in the United States, we might expect to find more humane treatment. But here, also, the prevailing hours, before factory laws were passed to restrict them, were twelve or thirteen per day; and a day of fifteen hours was not unknown. Twelve hours was found by a legislative inquiry to be the customary working-day in Massachusetts factories in 1825.[1] Darkness alone seems to have set a limit to the working-hours of children in Philadelphia cotton mills in 1830, and in the Paterson mills in 1835.[2] So late as 1901 the cotton manufacturers of North Carolina evidently thought they were being quite liberal when they promised not to exceed a sixty-six-hour week, if they were only exempted from legislative regulation; and in 1908 sixty-three and sixty-four hours per week was still the prevailing schedule in most Southern mills.[3] The economies of the long work-day are now given chief credit for the rapid growth of cotton manufacture in the South in recent years.

For the most flagrant contemporary examples, however, of excessive hours of labor, we must turn to industries employing adult men, hitherto, for the most part, beyond the pale of legal protection, and, in the absence of unionism, largely at the mercy of employers. The iron and steel industry is the one that has attracted most attention. Private and governmental investigations have repeatedly shown how intolerable the conditions were when a large proportion of the steel workers, particularly in the blast-furnace department, were found to be working twelve hours a day for seven days in the

[1] Commons, *Documentary History,* vol. v, p. 57, *et seq.*

[2] *Ibid.,* vol. v, pp. 61-65; Ely, *Labor Movement in America* (New York, 1886), pp. 47-49.

[3] Otey, Elizabeth, *Beginnings of Child Labor Legislation in Certain States* (Commissioner of Labor, *Report on Woman and Child Wage-earners*), vol. vi, pp. 132, 147, 167, etc.; Commissioner of Labor, *Woman and Child Wage-earners,* vol. i, p. 260, *et seq.*

week. Indeed, some of the mills were able to accomplish the wonderful feat of crowding eight twelve-hour days into a single calendar week by having one set of men stay continuously on duty for twenty-four hours when changing from the day to the night shift.[1] Only after much public criticism backed by governmental support, and after many unfulfilled promises and pleas for more time, did Mr. Gary of the United States Steel Corporation and his committee capitulate, and agree to "begin the total elimination of the twelve-hour day" and to "progress as rapidly as the supply of labor will permit." That was in August, 1923.[2]

Economic reasoning, therefore, at any rate such as reaches the average business man, gives no assurance that the hours of labor will be automatically and adequately curtailed. The question transcends the purely economic and becomes one of social well-being and social control.[3]

6. Pension Systems

It may be claimed, however, that if capitalism, instead of preventing overstrain and superannuation, has rather encouraged and produced them, it has endeavored, none the less, through pension systems and other methods to make some provision for the broken-down worker whose life has been

[1] Fitch, *Steel Workers*, pp. 166-177; Federated American Engineering Societies, *Twelve-hour Shift in Industry*, pp. 18-22, 46.

[2] Cf. MacKenzie, F. W., "Steel Abandons the Twelve-hour Day," *American Labor Legislation Review*, vol. xiii (1923), pp. 179-189.

[3] Dr. Drury estimated in 1922 that there were some forty continuous industries in the United States, and that there were about 300,000 workers on the twelve-hour shift. (Federated American Engineering Societies, *The Twelve-hour Shift in Industry*, p. 209.)

It was the almost unanimous testimony of employers in the textile industry in 1918-19, in an investigation made by the National Industrial Conference Board, that reductions in hours, such as had recently been made in their establishments, had brought a decline in output. This decline was admittedly not always proportional, and was less pronounced in the woolen and silk branches of the industry, where the skill of the operatives still counted for more than in cotton manufacturing. (National Industrial Conference Board, *Hours of Work as Related to Output and Health, Research Bulletins* nos. 7, 12, and 16.)

Dr. Vernon thinks this unfavorable testimony of American manufacturers was partly due to snap judgments, and partly to the fact that reductions here took the form chiefly of Saturday half-holiday, and thus had had a less beneficial influence. British experience he finds more favorable. (Vernon, *Industrial Fatigue and Efficiency* (London, 1921), pp. 66-71, 115.)

spent in its service. The decrepit or partially disabled watchman at railway crossings and in warehouses has long been a familiar figure. Ticket-chopping formerly furnished employment for some of the older employees of the New York subways and elevated railways. But sinecures and easy jobs of this sort are limited in number, and there may be question about the efficiency of old men even here. Many corporations have for a considerable time made retirement allowances to old and faithful servants, dealing usually with each case individually. And this plan is still the only one in most businesses. But it involves much detail, if the business is a large one, and opens the way for possible favoritism and injustice.

Hence, within the past twenty years an increasing number of large concerns have adopted pension plans as a more systematic method of handling the problem. The Baltimore and Ohio Railroad Company is credited with having established the first important plan of this sort in 1884, and this was the only example down to 1898. Since the latter date, according to the incomplete data available, some thirty-nine of the leading railways of the United States, and probably at least a hundred public service (other than railways), industrial, commercial, and financial corporations, have made such provision for the retirement of employees.[1] The plans that are perhaps best known are those of the Pennsylvania Railroad (1900), the Standard Oil Company (1903), the International Harvester Company (1908), the United States Steel Corporation (1911), the American Sugar Refining Company (1912), the Commonwealth Edison Company (1912), the American Telephone and Telegraph Company (1913), Swift and Company (1916), and the Colorado Fuel and Iron Company (1917). A good deal has been made of these plans in the publicity literature of the respective corporations, and there has been rejoicing in some quarters at this new evidence that "corporations are developing souls."

[1] Cf. Conant, Luther, *A Critical Analysis of Industrial Pension Systems* (New York, 1922), pp. 236-247; *Railway Age* cited in New York *Times*, October 3, 1923, p. 36. According to this summary there are also eight subsidiaries of the railroads indicated that have pension systems and twenty-one other lines with partial plans.

Whether they have arisen through a kind of spontaneous generation in different portions of the industrial field, or have been derived by imitation from a common source, there is certainly a family likeness in pension schemes. Some of the systems adopted by industrial corporations (such as those of Armour & Co. and Morris & Co.) and two bank pension systems on record (those of the First National of Chicago and the First National of New York) require a contribution from employees, usually 3 per cent of wages or salaries. But far the larger number of plans are non-contributory, being supported entirely by funds set aside by the corporations themselves. The Pennsylvania Railroad System has expended more than $36,000,000 in this way during the first quarter-century of its retirement plan (1900-24), and has had a total of 17,665 pensioners on its "roll of honor." [1] The International Harvester Company began by setting aside $250,000 each year for this purpose.[2] The United States Steel Corporation, in co-operation with Andrew Carnegie, created a fund of $12,000,000, the income to be devoted to pensions and relief payments.[3] And the American Telephone and Telegraph Company with its then associated companies, the Western Union and the Western Electric, made an initial appropriation of $10,845,000.[4] That would seem to put the plans on a fairly sound financial basis.

The age of enforced retirement for superannuation is commonly sixty-five or seventy, and that of retirement at the request of the employee or at the discretion of the officers because of incapacity (in many cases to be established by medical examination) is usually sixty or above. The period of "continuous and satisfactory" service also required, to entitle an employee to a pension, varies from ten to thirty years, but a minimum of twenty years is by far the most common. In computing the pension the average monthly pay for the

[1] Pennsylvania Railroad, *Information for the Public and Employes* (circular), April 9, 1925, p. 24.

[2] *International Harvester Company and Its Employees* (pamphlet), pp. 14-15.

[3] Squier, *Old Age Dependency in the United States* (New York, 1911), p. 95.

[4] American Telephone and Telegraph Company, *Annual Report*, 1912, pp. 17-18.

ten years prior to retirement is usually taken as the basis, and 1 per cent of this amount, multiplied by the total number of years of continuous service, gives the usual rate of payment. For example, a workman with an average monthly wage of $75, or $900 per year, would receive a pension of $15 per month if he had been with his company twenty years, $22.50 if he had been in the service thirty years, and proportionately more for longer periods. Arbitrary maximum and minimum payments are often fixed in the regulations and these are often not quickly changed to meet changes in the cost of living. The management of the system is kept in the hands of the corporation officers and it is generally stated expressly that no contractual rights are conferred, the company reserving full right of discharge, and the employee securing no vested interest either in his position or in the pension allowance. Where the system is contributory, a "surrender value" is almost always fixed, should the employee leave or be discharged. The following section from the rules of the pension department of the New York Central Lines is typical of all non-contributory systems:

> Persons who leave the service will not be entitled to pension allowance, and if any such persons shall be re-employed, they shall be considered, for the purpose of the pension system, as new employees.[1]

In establishing and explaining the merits of these plans, corporation officers may not always have given in detail all of the results expected from them; but, at any rate, they have not been guilty of maudlin sentimentality. The large funds appropriated indicate this if nothing more, that the ends sought are considered worth striving for and worth paying for. In the announcements made, the economic rather than the humanitarian or philanthropic aspect has been emphasized, and it is acknowledged frankly that the plan is expected to pay for itself in the increased loyalty, stability,

[1] Given in *Massachusetts Report on Old Age Pensions,* p. 149. A summary of different systems will be found in this same *Report,* p. 136, *et seq.;* Squier, *op. cit.,* chaps. iii and iv; *Workmen's Insurance and Benefit Funds, 23rd Annual Report of the Commissioner of Labor* (Washington, 1909), pp. 274-275, 301, 329, 360, 426; Conant, *op. cit.,* pp. 99-101, 206-207.

and efficiency of the labor-force. The disadvantage of retaining men in service after their efficiency has noticeably declined because of age, and the greater freedom in putting such men on the retired list under a pension plan, are stated; and it is plainly expected that the reaction upon younger employees produced by such provision for the painless removal of dead timber, by the improved opportunities for promotion, and by the promise that they will be similarly cared for in later years, will be distinctly favorable, just as the absence of such provision is likely to be demoralizing and depressing. The prospect of a pension not only serves to keep men in the company's service, but gives them "an incentive to good conduct" and "decreases the liability to strike."[1] The insurance thus provided for the employees in their declining years is viewed as redounding to the benefit of the corporation itself while they and their younger associates are still in service.

The pension plans adopted seem nicely calculated to accomplish these objects. Granting, however, for the moment, that the objects themselves are worthy in every particular, he must, indeed, be a very optimistic person who would contend that a movement so late in its beginning, relatively so slow in its growth, and (with all due allowance for the magnitude of the concerns that have joined in it) still covering such a small portion of the industrial field, will ever offer a complete and satisfactory solution of the problem of overstrain and superannuation. It is a plan that is most feasible and most attractive for large and well-established businesses and for those which have and are desirous of developing a relatively stable and permanent labor-force. The absence of these conditions was the reason given by many employers to the Massachusetts Commission on Old Age Pensions in 1910 for their own failure to establish pension systems, and for the fact that only four of the 362 corporations replying to inquiries in that

[1] Cf. Vanderlip, Frank A., "Insurance from the Employer's Standpoint," *National Conference of Charities and Correction* (Philadelphia, 1906), pp. 462-464; Squier, *op. cit.*, pp. 72, *et seq.*, 120, *et seq.; Annual Report of the Directors of the American Telephone and Telegraph Company*, 1912, pp. 17-21; *Massachusetts Report*, p. 138, etc.

great industrial state reported a regular system of this kind.[1] Squier declares after reviewing existing plans that, "in view of their paucity and variety," they "do not give satisfactory ground of hope that the ultimate solution of the problem can be reached in this way."[2] Dr. Epstein estimated in 1925 that not more than 2.5 per cent of industrial workers in the United States came under pension systems.[3]

But, however satisfactory the pension plan may be to employers, there are grave objections to it from a labor standpoint. Not without some reason, as well as intuition, did the United Brewery Workers reject by a two-thirds majority the pension plan combined with accident compensation which was offered to them in 1912 by the Brewers' Association.[4] Indeed, the customary attitude of labor journals and labor organizations here and abroad toward pensions has been one of suspicion, if not of absolute antagonism.

Perhaps some of the drawbacks of the average pension scheme have never been more effectively stated than by the late President Vail of the American Telphone and Telegraph Company in 1912, when his own organization had under consideration the combined pension and insurance system which it later adopted.

> Old-age pensions have always appeared to me to be something to talk about rather than an actually realized benefit. . . . By many companies the hope is held out to the faithful employee that sometime in the dim future, if he is very faithful and escapes discharge for a long period of years, he may receive as a solace to his declining years an annuity representing a portion only of his yearly wage while actually employed. This promise to care for the indigent worker after his usefulness is passed is not always realized, for frequently the usefulness of the man is found to have passed before the time set by the system for retirement. In this case he is discharged and nothing is done to make his old age free from hardship.[5]

[1] *Report,* pp. 151-152.

[2] Squier, *op. cit.,* p. 108.

[3] *Paper* at the conference of the American Association for Labor Legislation, December, 1925.

[4] Cf. New York *Evening Post,* May 23, 1912 (editorial); Rubinow, "The Pension Plan for the Brewing Industry," *Survey,* vol. xxix (1912), p. 360, *et seq.*

[5] *Literary Digest,* August 31, 1912, p. 350.

In railway service and some other skilled employments it may be a relatively frequent occurrence for men to spend thirty or more years with the same company (as the Pennsylvania Railroad plan requires), and to be still in the service at sixty-five or seventy. But for the great body of unskilled or semi-skilled workers, neither the permanance of jobs nor the length of their working-lives makes such schemes of much benefit. To a man who is old at forty-five or fifty, the promise of a pension if he can "hold on" until he reaches even sixty means little. No pension that he can receive will recompense him, anyhow, for the shattering of his health and for his lost youth and vigor.

More vital and serious still is the effect of pension systems upon the independence and bargaining power of the workers. The employers' argument that it will promote good conduct and decrease the liability to strikes proves too much. Industrial peace is desirable; but, like other forms, it may be bought at too dear a price; and for all the large expenditures of the corporations the worker stands to pay the bill. The absence of strong labor organizations in practically all industries having pension systems, aside from railroads, is more than a coincidence. The prospect of a pension binds the workman hand and foot, and robs him of that mobility which is his greatest bargaining asset. In like manner it discourages all collective efforts to improve wages and other conditions for the mass of employees. An older employee, approaching pensionable age, is not likely to stir up sedition among his fellows and get himself discharged in consequence. In fact, it has been charged that in time of strike men already on pension have sometimes been forced to act as strikebreakers or lose their pensions; and this plan was certainly suggested at the time of the threatened railway tie-up in 1916.[1]

For another reason, wages are likely to be somewhat lower

[1] Cf. evidence submitted to the Arbitration Board in the Locomotive Engineers' dispute with the eastern railroads in 1912, New York *Daily Call*, August 30, 1912. So great, indeed, is the distrust of labor toward such corporate efforts that Mr. Conant finds that all expectations regarding their effect in improving discipline and cutting down turnover have failed of realization. (*Op. cit.*, pp. 37-45.)

in the plants of corporations having pension systems. In proportion as the pension is regarded as an attraction by workers outside and is thought to relieve the employee somewhat from the necessity of making his own provision for old age, it tends to be discounted and its benefits are neutralized. Thus, whether contributory or not, a pension resolves itself into a deferred wage-payment, and is forfeited if the man leaves or is discharged before he is eligible for it.[1]

It seems ungracious always to be questioning the motives behind employers' gifts; and no doubt any method of providing for the superannuated man is better than none at all. But the chances for oppression lurking in corporate pension plans make one hope that some other remedy may be found.

[1] Cf. Conant, *op. cit.*, chap. ii; Lecky, Hadley, and the British Commission on Old Age Pensions, 1898, quoted in *Massachusetts Report*, pp. 235, *et seq.*, 250, *et seq.*; Rubinow, *Social Insurance*, pp. 326-328.

CHAPTER V

THE CASUALTY LIST OF INDUSTRY

1. DISEASES OF OCCUPATION

WHERE a man works and what he works at determine not only where and how he shall live, but often when and in what manner he shall die. Modern capitalism, we have noted, is chiefly distinguished from previous industrial systems by the intensive use which it makes of natural resources as well as human energies. Many of these forces and substances are such as were unknown to our forefathers and with which they had little if any contact. It is as if they had not been a part of that environment to which primitive man, in the long process of evolution and adaptation, had become accustomed. The tremendous powers of water and steam and electricity that have been harnessed sometimes break loose and spread catastrophe. And the methods of manufacture, the conditions surrounding the laborer, are obviously determined more largely by considerations of output and immediate profit than by those of health and safety.

Recognition of the perils of occupational disease is in large measure the outgrowth of a new viewpoint in medical science as a whole. Ramazzini of Padua wrote the first systematic treatise on the subject in 1700.[1] Certain specific affections attending particular trades, such as "brass chills," "painter's colic," and "grinder's consumption," have long been popularly known. But many of the occupational diseases are not distinct and separate ailments. They are only the old familiar troubles that have been induced or aggravated by an unhealthful working environment. Because their occupational

[1] Cf. Kober and Hanson, *Diseases of Occupation and Vocational Hygiene* (Philadelphia, 1916), p. vii, *et seq.*

antecedents were frequently unknown to physicians, and because preventive medicine in general has been a late development, they were often not differentiated or the responsibility for them definitely located.

During the present century, however, and particularly in the past fifteen years, no subject has attracted more attention in labor reports and in medical conferences and periodicals than this of the relation of industry to health. Intensive investigations have been made into conditions in the more dangerous trades, and several weighty and comprehensive treatises have appeared. The different industrial poisons have been determined and their deleterious effects studied. The dangers which modern industry offers to specific bodily organs —the eye, the ear, the lungs, the heart—have been fully portrayed. The prevalence of certain diseases and the relative morbidity and mortality in different trades are now being discovered and tabulated. Much, indeed, is lacking to make the returns complete. But if knowledge is the first requisite of reform, we are already well upon our way.

From whatever angle the evil is considered, the showing is deplorable enough. There is scarcely a trade that does not present its perils. In 1912 the International Association for Labor Legislation published (without making any claim to completeness) a list of more than fifty industrial poisons; and danger from a single one of these, lead, is known to be present in at least 150 trades.[1] Dublin and Leiboff in 1922 enumerated 700 hazardous occupations.[2]

The placid satisfaction which we experience in the possession and use of many common articles of comfort and luxury would be somewhat disturbed and diminished if we realized the sacrifice of health, and often of the life itself, that is involved in their manufacture. Our enjoyment of beautiful houses can hardly be heightened by the knowledge that the paint which is used to decorate and preserve them

[1] *List of Industrial Poisons* (United States Bureau of Labor Statistics, *Bulletin* no. 100 (Washington, 1912)); Thompson, *The Occupational Diseases* (New York, 1914), pp. 198-200.

[2] *Occupation Hazards and Diagnostic Signs* (United States Bureau of Labor Statistics, *Bulletin* no. 306 (Washington, 1922)), pp. v, 4-10.

subjects many workmen in a whole series of trades to grave danger of lead-poisoning. Nearly one-fourth of the 7,400 men employed in nineteen lead smelting and refining plants in 1912 suffered from lead-poisoning during that year.[1] Almost the same proportion (388 out of 1,600) was reported in twenty-three white and red-lead factories during the course of an investigation extending over sixteen months of the years 1910-11. One of the better-managed plants which made regular physical examinations and kept complete records had 35.3 per cent of its employees under medical treatment for this cause in the course of a year.[2] The painter's trade itself, partly because it is a skilled trade and men cling to it even after they are aware that it is undermining their health, shows a high rate of plumbism. Thirty-seven out of sixty fatal cases of lead-poisoning reported in New York State in 1909-10 were those of painters.[3] Thirty per cent of the cases of lead-poisoning found in Illinois in 1910 were those of painters.[4] The Ohio Board of Health reported 154 cases in 1915 in 127 indoor painting establishments employing a total of 2,382 men, or more than one out of every sixteen.[5]

In order that the consumer may rest peacefully on an artistic brass bedstead, some brass-founder may have had to suffer those malaria-like attacks of chills and sweats which are caused by the inhalation of zinc fumes.[5] The pleasure of our morning ablutions is hardly increased by reading Dr. Hamilton's report that 36 per cent of the enamelers and mill hands in ten sanitary-ware factories were found to be suffer-

[1] Hamilton, Alice, *Lead Poisoning in the Smelting and Refining of Lead* (United States Bureau of Labor Statistics, *Bulletin* no. 141 (Washington, 1914)), pp. 12-14.

[2] Hamilton, "The White Lead Industry in the United States," (United States Bureau of Labor Statistics, *Bulletin* no. 95 (Washington, 1911)), pp. 221-223.

[3] Andrews in *ibid.*, p. 260.

[4] Hamilton, *Industrial Poisons in the United States* (New York, 1925), pp. 194-196; *Hygiene of the Painter's Trade* (United States Bureau of Labor Statistics, *Bulletin* no. 120 (Washington, 1913)), *passim.*

[5] Hayhurst, *Industrial Health Hazards and Occupational Diseases in Ohio* (Columbus, 1915), pp. 168-171.

[5] Cf. Hayhurst, "Brass, Copper (?) and Zinc Poisoning" in Kober and Hanson, *op. cit.*, pp. 19-21; Legge, "The Health of Brass Workers" in same, p. 27, *et seq.*

ing from chronic lead-poisoning.[1] Breakfast is not more palatable if we realize that one out of every twelve men, and one out of every seven women, in white-ware potteries, in the manufacture of art and ultility ware, and in tile works are "leaded" every year because of the lead glaze used.[2] To appreciate the real cost of some of our clothing and house furnishings we should visit a cotton mill or a woolen mill, experience the soreness of the lungs that comes from staying a brief time in the sorting and carding rooms, and enter the humid and superheated atmosphere of the spinning and weaving rooms. We should then be less surprised that the factory people who have stayed in this environment, often for ten hours or more per day from their childhood up, have such a pale, washed-out appearance, and that they are particularly subject to tuberculosis.[3]

The manufacture of felt and derby hats is not only a very dusty trade as it is still conducted in most factories, giving rise to a higher death-rate from tuberculosis even than among textile workers, but several branches of it involve danger of poisoning from the cyanide of mercury with which the fur is treated to increase its felting properties.[4] The manufacture of rubber footwear, rubber clothing, and dipped goods involves contact with several dangerous poisons: lead, anilin, naphtha, carbon disulphide, carbon tetrachloride, and benzol.[5]

[1] Hamilton, *Lead Poisoning in Potteries, Tile Workers and Porcelain Enameled Sanitary Ware Factories* (United States Bureau of Labor Statistics, *Bulletin* no. 104, 1912), p. 9.

[2] *Ibid.*, pp. 8-9. Women are found to be much more susceptible to many of the industrial poisons than men; and in lead-poisoning, whether it be in husband or wife, the disease is often responsible for miscarriages and still-births. Cf. Pratt, "Lead Poisoning in New York City," *American Labor Legislation Review*, vol. ii, p. 276; Hamilton, *Women in the Lead Industries* (United States Bureau of Labor Statistics, *Bulletin* no. 253, 1919).

[3] A study made in Fall River, as a typical cotton-mill town, showed that in the age-group from 15 to 44 the death-rate of operatives was 46 per cent higher than that of non-operatives in the same community, tuberculosis accounting chiefly for the higher rate. (Perry, A. R., *Preventable Death in the Cotton Manufacturing Industry* (United States Bureau of Labor Statistics, *Bulletin* no. 251, 1919), p. 81). Cf. Dublin, *Causes of Death by Occupation*, pp. 62-63.

[4] Hamilton, *Industrial Poisons*, pp. 255, *et seq.*; 272, *et seq.*; Thompson, *Occupational Diseases*, p. 286, *et seq.*

[5] Dermatitis in the rubber trades accounted for more than three-fourths of the cases of occupational disease reported in Ohio for the years 1920-25, with

There are said to be forty-two different hazards in the tanning of leather to make shoes, gloves, or anything else—a loathsome and often fatal germ disease called anthrax and many different chances of poisoning from chemicals.[1]

The printing trade was one of the earliest products of modern invention, and has made wonderful progress with the introduction of the linotype and monotype in the last thirty years. The benefits which it has conferred upon the human race are incalculable. It has been the chief lever for advancement in almost every direction. Yet it is an unhealthful occupation, because of the lead-dust and vitiated air that have been characteristic of most print-shops. Lead poisoning of a slow, insidious variety lowers the vitality of the printer, and tuberculosis, in about half the cases, comes along to finish the job.[2]

Thus we might go on indefinitely, enumerating industrial risks, describing symptoms, and citing more or less fragmentary statistics. New processes and inventions may remove some of the old dangers, but are likely, as in tetraethyl-lead gasoline, radium, and the high explosives used during the War, to create new ones in their place.[3] Sufficient examples have, however, been given to indicate the extent and main sources of occupational disease. Broadly, they may be classified, largely as Dr. Thompson and others have classified them, into: (1) those due to germs carried by the materials worked with (anthrax, hookworm, septic poisoning); (2) those due to

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lead poisoning, anilin poisoning, and benzol poisoning next in order. (State Department of Health, *Ohio Health News* (Columbus, August 1, 1925), p. 4.) Cf. Hamilton, *Industrial Poisons Used in the Rubber Industry* (United States Bureau of Labor Statistics, *Bulletin* no. 179, 1915).

[1] Munster, Dorothy K., "Forty-two Occupational Disease Hazards in One Industry," *Journal of Industrial Hygiene*, July, 1925, p. 299; Andrews, J. B., *Anthrax as an Occupational Disease* (United States Bureau of Labor Statistics, *Bulletin* no. 267, 1920).

[2] Hoffman, *Respiratory Diseases in Dusty Trades* (*Bulletin* no. 231), pp. 38-39; Dublin, *Causes of Death by Occupation*, pp. 31-33; Thompson, *op. cit.*, p. 229, *et seq.*

[3] Cf. Hamilton, *Industrial Poisons Used or Produced in the Manufacture of Explosives* (United States Bureau of Labor Statistics, *Bulletin* no. 219, 1917); New York *Times*, June 21, 1925, p. 18 ("radium necrosis"); June 22, 1925, p. 3 ("lead gas"); United States Public Health Service, *Bulletin* no. 158 (Washington, 1925).

harmful substances (metallic poisons, like lead, arsenic, mercury; toxic gases and fluids like wood alcohol, naphtha, and the acids; and dusts of all varieties—organic and inorganic, metallic, mineral, and vegetable); (3) those due to harmful working conditions (abnormal temperature, compressed air, dampness, either too much or too little light, poor ventilation generally); and (4) those due to pressure, shock, or repeated motion (air-hammer, riveting machines, etc.)[1]

Truly, modern industry which deals so carelessly with many of these dangerous things, when it has millions of frail and fragile human beings under its care and control, has much to answer for. If in one aspect it is sometimes portrayed to the workers as the bountiful mother who gives employment and supplies the necessities and many of the comforts of life, from another point of view it often appears like a ravenous monster that saps their vitality, undermines their health, and takes from them, if not life itself, all that makes life happy and worth living.

2. INDUSTRIAL ACCIDENTS

And yet only the half has been told. Industrial accidents offer no less eloquent testimony to the seeming recklessness and heartlessness of the capitalist system. Their character, in fact, is not essentially different. An industrial accident is described in somewhat Johnsonian English, as a sudden violation of the anatomical unity and integrity of the laborer, occurring in the course of his work, and involving death or a longer or shorter period of disability. Its suddenness and more or less spectacular nature commonly make it easier to identify the place and the direct agency (usually some part of the equipment or the material with which the man is working) causing the injury than is the case with occupational diseases. There may be some lingering survivals also of the old belief that a violent death, as from an accident, is

[1] Cf. Dublin and Leiboff, *Occupation Hazards and Diagnostic Signs* (*Bulletin* no. 306), pp. 11-28; Hoffman, *Dusty Trades* (*Bulletin* no. 231), pp. 39-42; Thompson, *op. cit.*, p. 20; Hamilton, *Industrial Poisons*, chap. i; *Effect of the Air-hammer on the Hands of Stonecutters* (United States Bureau of Labor Statistics, *Bulletin* no. 236, 1918).

especially deplorable, because it sends a man "to his account with all of his imperfections upon his head." But otherwise there is little if any ground for different treatment. Both the disease and the accident are industrial in their origin, and both shorten the working-life and decrease the productivity of the victim. Indeed, it is frequently difficult to decide where the one ends and the other begins. When, for example, a man in a picric acid plant is exposed to strong nitrous fumes as the result of a "boil-over," and rapidly develops fatal congestion of the lungs, it seems ridiculous to attempt to decide whether the case is one of accident or of disease.

Yet for statistical purposes and for comparisons between accident rates in different countries and states, in different industries, and in the same state or industry at different times, it is highly important to have a more accurate definition of an accident. And unfortunately, especially in America with its numerous jurisdictions and rival authorities, such a standard definition has been very slow in forthcoming. The interesting features about accidents and accident-rates are, of course, their frequency and their severity. The real frequency can be judged only when the number of persons killed or injured is related to the number employed, and the length of time—the number of days and the number of hours per day—during which they have been engaged, that is, subjected to industrial risks. It would be unfair and unscientific, for example, to compare the aggregate number of industrial accidents in a highly industrial state like New York or Pennsylvania with that in a sparsely settled, largely agricultural state like Nebraska or Oklahoma, just as it would be unsound to compare the gross accident-rate of an industry like the iron and steel industry, operating in several of its departments practically every day in the year, and for work-periods of ten or twelve hours, with that in coal mining, which operates often for but 200 days or even less in the year, and for much shorter days at that. The United States Bureau of Labor Statistics, acting upon the recommendations of a committee of the International Association of Accident Boards and Commissions, has since about 1920 combined these two elements, of

"number employed" and "length of exposure," and expressed the accident-frequency rate, as so many killed or injured per 1,000 or per 1,000,000 man-hours. The federal Bureau of Mines, owing to greater irregularity in the working hours of different men even within the same mine, has found it very difficult to reduce its figures to the hours-of-exposure basis, and still retains, for the most part, the slightly earlier standard, of "300-day workers."[1]

The severity-rate is acknowledged to be much more significant than mere number or frequency in showing the real hazard of industry. What counts is not so much how many persons are hurt as how badly they are hurt. The broad classification here is that into fatal and non-fatal; but non-fatal accidents must be further divided according to the period of disability which they cause. The Bureau of Labor Statistics has long used, and attempted to get all reporting boards to use, the basis of "loss of time other than the remainder of the day, shift, or turn in which the injury was incurred." This, when related to the hours of exposure (commonly with 1,000 hours as the unit), gives a true severity-rate. Finding that the average age of men killed in industry has ranged about thirty-three years, and that the expectation of life at that age is about twenty years, the Bureau reckons the severity of each fatal accident at 6,000 working days. "Permanent partial disability" is similarly estimated, according to the extent of such disability and the expectation of life at age forty-two, the average age shown in experience tables for men in this group.[2]

Such is the standard method of collecting data that has been set. But, whether from inertia, or because they find

[1] The two standards are roughly convertible by multiplying the 1,000-hour basis by 3 in order to get the 300-day-worker basis. Cf. Chaney, L. W., *Statistics of Industrial Accidents in the United States* (United States Bureau of Labor Statistics, *Bulletin* no. 339, 1923), pp. 1-3; Committee of the International Association of Industrial Accident Boards and Commissions, *Standardization of Industrial Accident Statistics* (United States Bureau of Labor Statistics, *Bulletin* no. 276, 1920), pp. 6-7, 68-77; Adams, W. W., *Coal-mine Fatalities in the United States*, 1924 (Washington, 1925), pp. 37-38.

[2] *Bulletin* no. 276, pp. 68-77; Chaney, *Causes and Prevention of Accidents in the Iron and Steel Industry* (United States Bureau of Labor Statistics, *Bulletin* no. 292, 1922), p. 20.

the old crude rates more interesting, or for other reasons, the various states which report accidents at all have been very slow to conform; so that what we have is far short of the ideal. Some report everything regardless of severity; some report only injuries which are compensable under their workmen's compensation laws; and some fail to discriminate even between fatal and non-fatal.[1] What figures we have are too largely contemporary to show long-term tendencies. Much progress in reporting accidents, as in their prevention, has been made since about 1910, when the idea of enforcing compensation for them upon the industry that caused them took hold. Before that, when capitalism was almost unregulated in this direction, the victims of accidents, like those of doctor's experiments and mistakes, usually went where they told no tales.

But in spite of the fact that it is not possible to present accident figures in all their full and original horror, probably the most exacting critic will agree that they are still bad enough. Aggregates for recent years do admittedly show the influence of the safety movement, however that movement may have been inspired. They have been assembled from year to year by the Bureau of Labor Statistics and the National Safety Council. The highest figure for fatal accidents drawn from the incomplete state reports for the period 1917-21 was a total of 12,531 in 1918—almost exactly half as many as that estimated by Dr. Hoffman for 1913.[2] The totals for other years of the period are slightly lower, doubtless because of somewhat less feverish business activity than during the war. Non-fatal accidents for this period, even less faithfully reported, were highest in 1920 (1,636,837), but averaged about a million and a half for the five years taken together.[3] Pennsylvania, with about one-twelfth of the population of the country, owing to its high industrial development and particularly to the presence of two such dangerous industries as

[1] Cf. National Safety Council, *Safety News* (Chicago, April, 1925), pp. 19-20; Chaney in *Bulletin* no. 339, pp. 1-3, 8, *et seq.*

[2] Cf. Hoffman, *Industrial Accident Statistics* (United States Bureau of Labor Statistics, *Bulletin* no. 157), p. 6.

[3] Chaney, L. W., in *Bulletin* no. 339, pp. 4-8.

coal mining and iron and steel manufacturing, has usually had more than one-fifth of all fatal industrial accidents. New York has been second in the number of fatal accidents, and first for years in the number of non-fatal; while Ohio has been third in the race for fatalities, and some years has "crowded out" Pennsylvania for second place on non-fatal mishaps.[1]

The great industries of the country which have earned the title of "hazardous" or "dangerous" trades are, in addition to the coal and the iron and steel industries, already mentioned, the railroads, navigation and deep-sea fishing, metal mining, quarrying, lumbering, building and construction work, and some branches of the electric business.

The reason why the insurance companies were loath to take railway men as risks is readily apparent from the earlier figures for accidents to employees on the railways of the United States. In 1907, which was the record year in this respect, 4,534 men were killed, or one out of every 369 employed; and 87,644, or one out of every 19, were injured.[2] The needlessness of this slaughter has likewise been demonstrated by the subsequent decline in the accident-rate. For trainmen, who, of course, incur the greatest danger, the number killed per 1,000 declined from 4.23 in 1917 to 1.79 in 1921; and by 1924, when the number killed was slightly less than 500, the rate per 1,000 was well below one.[3]

What the steel industry could do in the old, unreformed days was shown in the first study made by the Bureau of Labor in 1910. In that year 245.2 out of every thousand 300-day workmen were injured, 1.86 of them fatally and 2.72 permanently. About every fourth man could count on having

[1] Pennsylvania reported 3,403 out of the total of 12,531 fatalities in 1918 (considerably more than one-fourth). (*Bulletin* no. 339, pp. 7-8.) The order was the same in 1924 when Pennsylvania had 2,209 fatal accidents and 177,539 non-fatal; New York, 1,109 fatal; and Ohio, 999 fatal and 174,454 non-fatal. (National Safety Council, *Safety News* (Chicago, April, 1925), pp. 19-20).

[2] Interstate Commerce Commission, *Statistics of Railways, 1907* (Washington, 1909), p. 135.

[3] Interstate Commerce Commission, *Accident Bulletin* no. 93, 1925; Chaney in *Bulletin* no. 339, pp. 28-31.

an accident of some sort sometime during the year.[1] By 1921 the frequency-rate had been cut in two, and the severity-rate reduced to almost one-third what it had been in 1907 (2.5 as compared with 7.2).[2]

Americans are most proud of their accomplishments in the field of engineering and construction—their great dams, electric light and power systems, telephones, canals, bridges, tunnels, railway terminals, skyscrapers, and pretentious public buildings. These things seem to exemplify and body forth the ingenuity of the people and the prosperity of the country. They likewise typify our extravagant waste of human life. The walls of some of our railway tunnels fairly reek with the blood of the men who built them. It is common report that each story of every skyscraper that decorates Manhattan Island has cost the life of a man. Certainly, more people have been killed in the building industry of New York State than in all its manufacturing enterprises, whereas only about one-fourth as many are so engaged.[3] We can get a better understanding of the psychological processes and occasional violent conduct of the young men who are employed in the structural iron and bridge industry if we note that in a single year 87.9 per cent of the deaths reported in the membership of their union were due to accidents.[4] Similarly, it is stated that from one-third to one-half of electric linemen meet death suddenly and in their working clothes.[5]

The form of human interference with natural arrangements that seems to be most bitterly resented by the elements is the extraction of mineral wealth from the bowels of the earth. Taken as a group the mining industries of the United States have exacted an average toll of more than 3,000 lives each

[1] Commissioner of Labor, *Report on Conditions of Employment in the Iron and Steel Industry* (Washington, 1913), vol. iv, pp. 11, *et seq.*, 43.

[2] Chaney in *Bulletin* no. 292, pp. 11-12, 65, 215; *Bulletin* no. 339, p. 37.

[3] New York Department of Labor, *Fatal Accidents Due to Falls in Building Work* (*Special Bulletin* no. 80 (Albany, 1917)), p. 5.

[4] Grant, Luke, *The National Erectors Association and the International Association of Bridge and Structural Iron Workers* (U. S. Commission on Industrial Relations, *Report* (Washington, 1915)), p. 8.

[5] Cf. *Monthly Labor Review*, May, 1925, p. 172, Hoffman in *Conference on Hygiene and Demography*, vol. i, part ii, p. 782.

year, or at a rate of 3.50 to 3.75 per thousand 300-day workmen. Coal is the worst offender of the bunch, killing on the average, for a decade or more, about 4.40 out of each 1,000 miners, reckoned on a 300-day basis. Each million tons of anthracite coal mined in 1924 cost 5.51 lives; and each million tons of bituminous 3.90. Metal mining, which commonly employs only about one-fifth as many men but runs with somewhat greater regularity, kills 3 to 3.50 out of every thousand, and in 1923 had a non-fatal accident-rate of 275 per thousand. Quarries and coke ovens compete for third place, with rates of 1.68 and 1.76, respectively, for fatal accidents in 1923; and 176 and 101 for non-fatal.[1]

All this, however, is a detached, third-person way of stating the problem. Human nature is so constituted that a single case of misfortune whose victim we know by name and can picture as a man of flesh and blood, the faithful husband of a loving wife, the father of little children dependent upon his wages for support and education, carries more weight than hundreds of nameless and shadowy forms, marshaled together in the columns of a government report. Yet the aggregates are distilled, for the most part, from numbers of just such individual cases.

Frank Hodges strikes the personal note when he describes the sensations of a British coal-hewer as he descends to his work in the early morning:

> Eventually his turn arrives to step onto the cage. The gates clang behind him, a bell rings, he takes in at a glance the objects within his vision at the pit-head, the cage lifts off the "keps," and he gives a thought to his loved ones and then sinks with great speed deep down in the earth's crust. . . . Is it not natural that he should look forward to the time when he will again see the light of day? He wonders whether ever again he will see his family.[2]

Modern industry lends itself readily to group disasters such as Monongah, Cherry Hill, Castle Gate, and other coal-mine

[1] Adams, W. W., *Metal-mine Accidents in the United States, 1923* (United States Bureau of Mines, *Bulletin* no. 248 (Washington, 1925)), p. 66; Adams, *Coal-mine Fatalities, 1924*, pp. 1-2; United States Bureau of Mines, *Bulletin* no. 246 (Washington, 1925) (quarries).

[2] Hodges, *My Adventures as a Labor Leader* (London, 1924?), p. 52.

explosions on record. But these are not the typical form of industrial accident. Far the larger number of the men killed and injured are picked off one by one. They are probably obscure individuals, known to their foreman only by a number or a nickname. Their taking-off is not for various reasons largely exploited in the public press. No one hereabouts seems to miss them very much, and they pass out literally "unwept, unhonored, and unsung." But doubtless far away in some little village home in sunny Italy there is a period of anxious waiting for news from a son or husband; finally an appeal for information to the Italian consul stationed nearest to where the man was last known to be working; sad probability ripens into an awful certainty; then grief and despair. Someone does care after all.

3. RESPONSIBILITY

There can be no lingering doubts of the fact that modern industry injuriously affects the health, happiness, and longevity of a multitude of workers. From the data so far given we might quickly conclude, as some of the workers themselves have concluded, that the whole system is wrong and should be swept away. If the rampant commercialism which dominates our industries causes such evils and is able to look with equanimity upon them, then it is high time that economics should correct its standards of value by those of poetry and philosophy. If it be true, as Ruskin says, that "there is no Wealth but Life," and if "the final outcome and consummation of all wealth is in the producing as many as possible of full-breathed, bright-eyed, and happy-hearted human creatures," it seems reasonable to believe that we must have lost our way, and that we should endeavor to return to the simple paths of nature.

Such a conclusion, however, without further analysis of causes, effects, and tendencies, would, indeed, be hasty. The real question is one of responsibility and of preventability. How largely are disease and accident the inevitable accompaniments of the capitalistic system? Must our eager and expanding wants go unsatisfied but for such fearful sacrifices

as have been noted? Who is to blame? Who bears the burden? What measures have capitalist employers themselves voluntarily taken to prevent injury to workmen or to mitigate its consequences when it occurs?

A recent cartoon portrays the difficulty of locating responsibility for the high cost of living. The different parties concerned in the manufacture and transmission of goods from the raw material to the finished product in the hands of the consumer, are all ranged in a circle, and each, in reply to the question, points his thumb significantly to one of his neighbors. So it is with the risks and losses of industry. The responsibility is divided in some proportion among the consumer, who demands that the goods be produced, the entrepreneur, who undertakes to produce them, and the laborer, who co-operates in their production. But each party is anxious to shift the larger share of the blame to the others.

The ultimate responsibility of the consumer for industrial conditions is something healthful to reflect upon. An appeal to his or her individual conscience does not, it is true, promise speedy reform; but it inspires charity toward the other parties. The consumer sets the ball rolling and keeps it going. Consciously or otherwise, he is the final arbiter who passes upon each man's work whether it be good or evil. The consumer, in other words, is the real employer, not only of labor, but of all the agents of production. The direction he gives to his purchasing power determines what shall be produced, where capital shall be invested and labor employed. If the goods he demands involve sending men into dangerous places, the incurring of risk from powerful and complex machinery, and the use of poisonous or otherwise harmful substances, then the consumer should be ready and willing to pay (in so far as money can pay) for the necessary human costs and losses resulting. In so far as the consumer is guided chiefly by price rather than by any investigation of the comparative conditions under which goods are produced; and in so far as the cheapest method of production is the one which is most careless of the health and safety of the workers, the enterpriser who likes his business and wishes to remain in it is

thereby forbidden to adopt any safety provisions or to show any concern for the welfare of his employees, except such as is plainly self-sustaining and will bring quick returns. We are warranted, therefore, in holding the consumer, and the community composed of consumers, to a kind of residual liability for that large proportion of industrial mishaps and maladies which seem inherent in the trades themselves—formerly classed as due to "acts of God"—and which cannot legitimately be laid at the door of either the employer or the employee.

The average employer is quite ready to declare, when in defensive attitude, that he is "not in business for his health." According to the ethics of the competitive régime he is expected to exercise such a degree of care in the selection of his agents and subordinates, to make such provision for a safe and sanitary work-place, and to exercise such supervision over the welfare of his employees as will not interfere with his profit but rather contribute to it. Perhaps few would expressly sanction any direct effort to secure profits through the exploitation of the flesh and blood of the workers. Profit is rather supposed to be obtained through foresight and judgment in investment and in buying and selling, or through skill in organization—not by taking advantage of labor and coining life and limb into dollars.

Strong arguments can, indeed, be presented to the employer to prove the advantages of safety provisions. A large proportion of industrial hazards, as we shall see, are removable by known devices and methods. If the same ingenuity that has been employed in increasing output or improving quality had been directed into this channel, industry by this time would doubtless be comparatively safe and we should have no such shameful records of accident and disease as those cited. Quite aside from sentimental considerations and any legal liability for injuries that may be laid upon the employer, it might be shown that safety in his plant is a good investment. It will place at his disposal a larger, more permanent, more efficient, and more contented labor-force. He will not be handicapped by the frequent absence of employees

and the consequent idleness of part of his equipment; and he will not be constantly compelled to hire and break in new men for skilled positions. Unless, therefore, safe methods are found to be so expensive that the extra cost of installing them is not more than offset by resultant gains, the employer who fails to protect his men in every way possible is at least guilty of the sin of ignorance and probably also of the greater one of indifference.

The responsibility of the laborer himself for the sickness and injuries from which he suffers is the hardest of all to fix and delimit. Superficially considered, it seems to be large. He is expected to know his duties, to be temperate and to keep himself physically fit, and to use all proper care and judgment in the operation of the equipment, lest he endanger not only his own life but that of his fellows. Yet we must not judge him too hastily nor too harshly. Obligation is to be measured according to power and opportunity. It is well for the worker to feel that he is directly responsible for his safety and for that of his associates; but it is well for others to recognize the handicaps under which he labors. If he is sometimes ignorant of his task and of the proper precautions to take in its execution it is often because his employer has preferred cheapness to competence. If he is sometimes reckless it is a fortunate circumstance for those who have dangerous tasks to perform. The border line between courage and recklessness is not a clear one. Both arise from a supreme confidence in oneself or in his cause, and are usually a compound of physical vigor and a superstitious belief in one's luck. If, finally, the worker is sometimes careless in the use of dangerous materials and machinery, negligent even of his own health and safety, it may be partly due to ignorance already mentioned; it may be the listlessness of undue fatigue, or the haste and hurry inspired by a speeding-up policy. "Who can be wise, amazed, temperate and furious, loyal and neutral, in one moment?"

These are the standards and considerations to be weighed in fixing responsibility for the harmful effects of industry upon health. It remains to determine how far each party is living

up to its responsibility with respect to the different hazards previously discussed.

If it is a cause for shame and regret regarding the past, it is a cause for congratulation and hope regarding the future, that practically all industrial diseases, and at least one-half of the industrial accidents, can be prevented through measures already known and fully within the powers of the different parties concerned. They are not, therefore, evils which must be expected and endured if we are to enjoy the benefits of what we consider advanced civilization. What has been accomplished in the more progressive countries of Europe, what has been done in the better grade of our own industrial establishments, and study of the proposals and recommendations made by such men as Sir Thomas Oliver, Dr. Thompson, and Dr. Kober, and by the Bureau of Mines, the factory inspectors, and the Association for Labor Legislation is enough to convince us that no case is absolutely hopeless—that there is no harmful condition which cannot be largely removed, no harmful substance which cannot be brought under control, few dangerous situations which cannot be made comparatively safe. Medical science, which is doing so much to check the spread of contagion, is already pointing the way to eliminate the deleterious effects of industry. The term "industrial accidents" may not disappear from the language; but instead of being loosely applied to a multitude of mishaps, many of which could have been clearly foreseen and avoided, it will be confined to that much smaller group of occurrences which remain for finite understanding among the inscrutable mysteries of fate.

Methods and devices for protecting health and safety must, of course, vary with the processes involved; but many of them are adaptable to several trades and to similar conditions wherever found. It should be one of the aims of the developing science and art of employing men to exclude from dangerous trades those whose physical make-up or condition renders them peculiarly susceptible to the perils offered. Women and young persons are acknowledged to be especially in need of such protection against industrial poisons. Persons

disposed to pulmonary troubles should be excluded from dusty trades. Furthermore, medical aid and supervision always at hand to make frequent physical examinations, and to treat affections and injuries of any sort promptly, can prevent many of the disastrous consequences which flow from neglect. If laborers must come into dangerous trades practically untrained, time and effort can be taken by foremen and others to instruct them in the work to be done and the precautions to be taken before they are turned loose amidst complex machinery, or have too great responsibility thrust upon them. Dangerous processes and those giving rise to harmful conditions can be separated from processes which are safe, so that the minimum number of workmen may be subjected to risk. Mechanical aids or substitutes can frequently be found for some of the more disagreeable and dangerous processes. Mechanical methods of painting automobiles, agricultural machinery, and furniture—dipping the parts into the paint—materially lessen the number of men that need to be exposed.[1]

Dust arising from the material used can be prevented or removed by methods analogous to those known and applied by the average housewife. "Stoppage at the source" through tight construction of mixing and grinding machinery and through the use of wet rather than dry processes wherever possible is far the most effective. The walls and floors of the plant may be of such material as can be easily and frequently washed down. Humidifiers, such as are used in some cigar factories and the carding-rooms of textile mills, serve to keep down dust; and an adequate system of exhaust ventilation removes it at the point of origin. It is possible, for example, to get rid of dust in sandpapering painted surfaces between coats—probably the most hazardous part of the painter's work—by keeping the sandpaper moistened with a cheap mineral oil.[2] Much of the lead dust has been eliminated from potteries in European countries by constructing the mixing, grinding, dipping, cleaning, and placing rooms with hard

[1] Hamilton, *Hygiene of the Painters' Trade*, pp. 43, 67. The development of spraying has had the opposite tendency—to increase the hazard. (Hamilton, *Industrial Poisons*, chap. xiv.)

[2] Hamilton, *Hygiene of the Painters' Trade*, p. 35.

cement floors; by preventing the splashing of glaze from the dipping tubs through high screens or guards; by catching the surplus glaze scraped off by the cleaners in water; and by providing exhausts in front of each cleaner to carry off the dust.[1] Closed receptacles and hoods connected with the exhaust system can also remove the poisonous fumes from molten metal, dyes, and chemicals.[2] There are, of course, respirators and gas masks for the laborer as for the soldier; but because of the impediment they place upon breathing during great exertion, and because they are often only partially effective, they are to be considered a last resort.[3]

Fatigue, which makes the workers much more susceptible to industrial poisoning and much more liable to accidents, can be avoided by methods already discussed.[4] Excessive heat, which is the necessary accompaniment of many branches of the metal trades, the glass industry, and other industries, can be largely mitigated by proper clothing, by artificially created drafts, and by short shifts.

The alimentary canal is probably the most important avenue for contracting lead-poisoning. Particles of paint or other lead-containing material are transferred to food eaten with unwashed hands in dust-laden surroundings, and a considerable portion of the lead-dust taken into the nostrils and mouth in some trades is swallowed with the saliva. Consequently, separate lunchrooms where food must be left, together with the enforced use of good washing facilities, is regarded as one of the principal protective measures in the painter's trade. In fact, Dr. Hamilton declares that "no paint need be dangerous if it is used with sufficient caution." [5]

Substitution offers a more heroic and often still more satis-

[1] Hamilton, *Lead Poisoning in Potteries, Tile Works, etc.*, pp. 14, *et seq.*, 76, *et seq.*; Hamilton, *Industrial Poisons* (1925), pp. 181-182.

[2] Cf. Hanson, *Dangers from Dusts and Fumes and Methods of Prevention, passim.*

[3] Cf. Hamilton, *Industrial Poisons*, chap. xxxviii; *Hours, Fatigue, and Health in British Munition Factories* (Bureau of Labor Statistics, *Bulletin* no. 221), pp. 74, 75, 80, etc.

[4] Cf. *supra*, p. 84, *et seq.*, on hours and speed.

[5] Hamilton, *Hygiene of the Painters' Trade*, p. 32. Cf. also pp. 34-38; Thompson, *Occupational Diseases*, pp. 222, *et seq.*

factory method of safeguarding the workers. The sesquisulphide of phosphorus makes just as good "strike-anywhere" matches as the old white or yellow phosphorus, and does not endanger the health of the match-maker. Red phosphorus, such as is used for "safety" matches, is equally harmless. Lead sulphate in paints is much less likely to be absorbed into the system than the lead carbonate hitherto most commonly used. By introducing the former in place of the latter and almost simultaneously instituting medical and sanitary care for its employees, the Pullman Car Company has made the rate of lead-poisoning in its shops almost negligible—about one one-hundredth of what it had been previously.[1] The abolition of white lead and the enforced use of zinc-white have been the subjects of several investigations and international conferences in Europe. France passed such a law in 1909 to become effective in 1915; but the War evidently prevented the consummation from being realized. Both France and Italy stood for an agreement to this end at a labor convention in Geneva in 1921. A British Departmental Committee had reported to the same effect in 1915; but whether, as some of the labor writers charge, because of the influence of the "white-lead interests," or because it was believed by well-informed people that most of the evil could be prevented by proper precautions, the British representatives were not ready to sanction such drastic action.[2] Leadless glaze and glaze low in lead-content is now commonly used in the potteries of Europe. In fact, by this method and by the use of the precautions regarding cleanliness, clothing, separation of processes, and physical examinations now enforced by law, the number of cases of lead poisoning in British potteries has been reduced to a small fraction of 1 per cent.[3]

[1] Hamilton, *Hygiene of the Painters' Trade*, pp. 21-22; Gibson, "Medical Inspection of Factories in Illinois," *American Labor Legislation Review*, vol. ii (1912), pp. 347-348. This reform was undertaken in conformity with Illinois legislation as to the lead trades.

[2] Cf. Hamilton, *Industrial Poisons*, pp. 196-199; Poulton, "Industrial Lead Poisoning," *Labour Magazine* (London, May, 1923), pp. 17-19; "White Lead and Workers' Lives," *Labour Magazine* (London, December, 1923), pp. 355-357.

[3] Hamilton, *op. cit.*, pp. 181-183.

The *safety rules* and instructions distributed to employees by the International Harvester Company, the United States Steel Corporation, and other concerns which are progressive along this line, give the impression that every possible contingency and source of danger has been thought of, that there is a comparatively safe way of doing everything, and that accidents are an unnecessary evil.

On the borderland between health-protection and safety is the fundamental question of factory architecture and construction—the suitability of the plant for the work to be done, the space allowed for carrying on different machine operations, provision for sufficient light and ventilation, and safeguards against fire. Because of the somewhat narrowly prescribed path followed by our chief luminary, it may be impossible to build a house or factory where all rooms and sections will be equally blessed with sunlight and air; but at least the chambered nautilus with "his sunless crypt" need not be taken as a model. The higher accident-rate attending night-shifts points to the importance of light for safety. Modern steel construction not only makes possible fireproof buildings, but makes it possible for the walls and roofs to be composed chiefly of windows. The perfection of artificial illumination and its easy adjustability to all situations should forever banish darkness as a source of danger. Good housekeeping, of course demands that the windows should be kept clean, that floors, stairways, and passageways should be kept clear and unobstructed, that materials should be piled in an orderly fashion, and that there should be a place for everything and everything in its place.

For fire protection it is not sufficient that the building itself be of fireproof construction. The building of the Triangle Shirtwaist Company in Brooklyn, in which several hundred women and girls were burned in 1911, was fireproof. The stock and furnishings offer quite as great a source of danger; and this automatic sprinklers can largely remove. Fire escapes and other exits sufficient to accommodate the maximum number of occupants in the building can be provided; and fire

drills can be held frequently enough to accustom people to their use and to prevent panic.[1]

Safety devices and guards for the dangerous parts of machinery and other equipment—stairways, elevators, belts, gears, flywheels, shafting, chains, saws, cutters, emery wheels, electric wires, and switchboards—help to make the factory environment "foolproof," and provide against those slips and inadvertent movements which are so likely to occur where all is hurry and bustle. Automatic couplers on railways quickly reduced fatalities due to coupling and uncoupling cars to one-third of what they had been before, and injuries to one-fifth.[2] Regular and frequent inspection, by some competent person, of cranes, chains, engines, boilers, and the bearings of all machinery constitutes a first principle of preparedness. The clothing of the worker is important here, as in occupational disease. Loose-fitting or ragged garments have been the ruination of many a worker. Goggles or spectacles protect the eyes from flying particles. Congress shoes may not be considered the style in polite society, but they are recommended to foundrymen as a protection against burns. The employment of women in many unaccustomed trades during the European war further emancipated their working-dress from the old régime of "conspicuous leisure."

Mine accidents are not in a class by themselves, for foreign experience again affords ample proof that they can be greatly reduced. The United States has for years held the record among important coal-producing countries for the largest number of fatal accidents in proportion to the number of men employed. During the decade from 1901 to 1910 we killed upon this basis considerably more than twice as many as France exactly two and three-fourths times as many as Great Britain, and more than three and one-half times as many as either Belgium or Austria.[3] Similar proportions were

[1] Cf. *New York Factory Investigating Commission Report,* 1913, vol. i, p. 65, *et seq.;* Porter, "The Fire Hazard," *Preliminary Report of New York Factory Investigating Commission,* 1912, vol. i, p. 153, *et seq.*

[2] Cf. Seager, *Social Insurance,* p. 30; Eastman, *Work-accidents,* pp. 318-319.

[3] Horton, *Coal Mine Accidents in the United States and Foreign Countries* (U. S. Bureau of Mines. *Bulletin* no. 69 (Washington, 1913)), p. 86, *et seq.*

shown in 1912.[1] Yet the natural conditions in our coal mines are regarded as more favorable to safety than those in any of the countries enumerated; and these same countries in former times had fatality-rates practically equal to ours at the worst. Belgium, in particular, had very adverse circumstances to contend with, and down to about 1893 had a series of great disasters. But since that, through known safety precautions, she has attained the lowest rate for fatal accidents of any of the important coal-producing countries.[2] Metal mines in the United States have also long had a reputation for hazards several times as great as those in Europe.[3]

Fortunately, through imitation of some foreign methods, and the study and agitation carried on by the Bureau of Mines and similar bodies in the mining states, some progress has been made, even here, toward a reduction in the fatality rates in all classes of mines.[4] It was found, for example, that "falls of the roof," which have been far and away the most important cause of accidents in mines, were largely due to speed and neglect about putting in proper supports; that accidents due to explosives can be greatly reduced by the use only of what the Bureau of Mines calls "permissibles," and by proper training and care on the part of those who handle them; that injuries due to "falls of person" point to the possibility of more care in guarding shafts, to better lighting and fewer acrobatic feats required from or attempted by the miners. "Gas and dust explosions" are not by any means an inevitable risk of the trade, but can be practically eliminated by the use of safety-lamps or approved electric lamps, by using only permissible explosives, by a proper system of forced ventilation, and by sprinkling rock-dust over the working faces and passageways, and the construction of rock-dust bar-

[1] Fay, *U. S. Coal Mine Fatalities*, 1915, p. 26. The Bureau of Mines has not undertaken to supply such figures in recent years.

[2] Cf. Rice and Jones, *Methods of Preventing and Limiting Explosions in Coal Mines* (United States Bureau of Mines, *Technical Paper* no. 84, 1915), p. 4; Fay, *op. cit.*, 1915, p. 26.

[3] Cf. Fay, *Metal Mine Accidents*, 1915, p. 88.

[4] Between 1907 and 1921 the fatality rate for coal mines was cut down about 34 per cent; and between 1911 and 1920 the rate for metal mines declined 24 per cent. (Chaney, *Statistics of Industrial Accidents*, pp. 45, 48.)

riers—all of them methods long known and used in Great Britain.[1]

These are but a few of the more obvious ways in which the health and safety of the workers can be more fully protected in some of the more hazardous employments. All of them have the testimony of experience to show their practicability. It would be ungracious not to agree that progress has been made even in "money-mad" America. Some statistical evidences of such improvement have been cited already. The work of the average railway trainman is probably three or four times as safe today as it was in 1890.[2] The results of the safety movement in many large manufacturing enterprises, with a gradation of safety committees extending from the officers of the company down to the ordinary workmen, with a persistent educational campaign among the employees in behalf of "safety first," and with the adoption of the best and latest safety devices that ingenuity and experience could suggest, have all been most gratifying. Naturally, the reduction in accidents was greatest in the earlier years, when the chance for improvement was so great and so obvious. Within the first decade of its systematic safety work from 1906 to 1915, the United States Steel Corporation cut down the rate for serious accidents in its plants 43.54 per cent. Lackawanna Steel made a reduction of 44 per cent in two years (1913-15). The General Electric Company in the same period eliminated more than a third of the accidents from its Schenectady works; the American Locomotive Company, 62 per cent; and the Eastman Kodak Company, 56 per cent.[3] Even in mining and quarrying, as we have said, there has been

[1] Cf. Rice, George S., *Stone Dusting or Rock Dusting to Prevent Coal-Dust Explosions, as Practiced in Great Britain and France* (U. S. Bureau of Mines, *Bulletin* no. 225, 1924); *American Labor Legislation Review*, vol. xiv (1924), pp. 122-125; Williams, *Mine-ventilation Stoppings* (U. S. Bureau of Mines, *Bulletin* no. 99, 1915); Rice and Jones, *op. cit.*, pp. 6-7, 9-24; Taylor and Rinkenbach, *Explosives* (U. S. Bureau of Mines, *Bulletin* no. 219, 1923), p. 3.

[2] Cf. Thompson, Slason, *Railway Statistics of the United States, 1922* (Chicago), pp. 120-121.

[3] New York Department of Labor, *Industrial Accident Prevention* (*Special Bulletin* no. 77), pp. 4-18; Chaney and Hanna, *Safety Movement in the Iron and Steel Industry* (U. S. Bureau of Labor Statistics, *Bulletin* no. 234, 1918), esp. pp. 15-16.

some advance, albeit these industries are not likely soon to become the resort of "sissies" and mollycoddles.

Circumstances, however, forbid giving all the honor and the glory for these belated activities and achievements to commercial and capitalistic enterprise. The motives prompting them certainly have not been wholly disinterested; nor has the movement been due to any sudden recognition of the inherent economic advantages of safety precautions, clear as those may be to an intelligent and far-seeing employer. Rather, we must attach distinct significance to the date or period when most of these efforts began, to the scope which has been given to them, and to the spirit which all along has animated them.

The safety movement in industry has been almost wholly subsequent to the passage of laws increasing the liability of employers for accidents occurring in their plants, and especially the workmen's compensation laws which first became effective about 1911, and have since been adopted in practically all of the states. Public sentiment itself in the United States was not much aroused upon the subject of accidents until well within the present century. The average employer may be presumed to have had better opportunities for knowing the hazards and the harmful consequences of industrial pursuits than the general public; but it would, perhaps, have been unjust to expect him in any case to show a frenzied zeal over their removal, so long as others were ignorant and indifferent. Conscience is, after all, largely a public sense, and does not severely condemn what others do not disapprove. Under the old employers' liability code the extent of the accident evil and the possibility of a large measure of prevention on his part were not brought home to him. The common law, which had evolved under simpler, more personal conditions and relationships, allowed him three very strong defenses against suits brought against him by injured employees. It was held: (1) that when a workman entered a given employment he presumably did so with his eyes open, and that he was fully aware of its perils ("the assumption of risk"); (2) that if the employee was negligent or contributed in any way

to the occurrence of the accident it vitiated his claim for damages ("contributory negligence"); and (3) that the employer was not liable for injuries occurring through the conduct of the fellow-employees of the injured person ("the fellow-servant doctrine"). The expense connected with litigation and the uncertainty which these legal niceties lent to the whole procedure from the worker's standpoint meant that many claims were never brought to trial, and were, at most, easily adjusted by the employer's representatives outside.[1] The fact that the average employer insured himself with a liability company and turned all claims over to this concern, only served to make the defense more cold-blooded and businesslike. Hence, the damages actually paid, while they might be quite heavy in case there was an overly sentimental jury to be dealt with, were usually quite small; and the burden of accidents, financial and otherwise, fell chiefly upon the injured man and his family, and through them upon the community.[2]

But the system of workmen's compensation speaks a language which even the most reactionary employer ought to be able to understand. It does not assume that the employer is himself wholly or even chiefly responsible for accidents. Indeed, all efforts to apportion responsibility and to determine whether given accidents were due to the fault of the employer,

[1] Cf. Clark, L. D., *The Law of the Employment of Labor* (New York, 1911), chap. vii; Eastman, *Work-accidents and the Law*, chap. xii.

[2] Cf. Commons and Andrews, *Principles of Labor Legislation* (1920 ed.), pp. 386-392; Hard, William, *Injured in the Course of Duty* (New York, 1910), pp. 92-96.

Out of 117 cases of married men killed by accident in Erie County, New York, in 1907-08 and whose dependents brought suit (presumably only those who had some claim and some prospect of recovery), thirty-eight families got nothing and 78.6 per cent of those whose cases were closed at the time of the investigation got no substantial recovery, the compensation ranging from nothing up to $500. In sixty-seven similar cases brought in the borough of Manhattan, New York City, in the same year, eighteen families received nothing and 80 per cent got $500 or less. (*First Report of the New York State Employers' Liability Commission* (Albany, 1910).) An analysis of cases in Ohio prior to the passage of the compensation act in 1911 showed that about 60 per cent of the recipients of damages because of fatal industrial accidents got between $50 and $500. (*Report of the Employers' Liability Commission of Ohio* (Columbus 1911), p. xxxvi, *et seq.* Cf. Eastman, *op. cit.*, chap. viii.)

that of the injured person, or that of his fellow employees, or just attributable to the natural hazards of the industry, seem lame and arbitrary.[1] They pretend to a degree of omniscience that can only be possible "when the leaves of the Judgment Book unfold." The broad principles of obligation have been stated; but their application to concrete cases, especially when the spirit of the parties involved is one of rivalry if not of antagonism, is almost impossible. And it was exactly this difficulty which the new system was intended to meet. It attempts to use the employer as the principal active agent for enforcing safe conditions in industry; and it does this by making him directly responsible financially up to a certain limit or maximum for the loss of earning-power caused by an industrial accident. He can shift the immediate payments to a casualty company, and, since all his competitors are presumably "in the same boat," can pass along the premium-cost to the consumer in the form of higher prices. But, so long as his rating with the casualty company is definitely dependent upon the accident-record of his plant, and upon the safety provisions therein existing, he has a strong incentive to modernize and to agitate for "safety first." Great as has been the relief and benefit which workmen's compensation has brought directly to injured persons and their dependents, its greatest service has been the stimulus which it has given to the safety movement. "Social insurance, properly organized and administered under the supervision of those who pay the bills, converts the prevention of accidents and the preservation of health from sentiment and humanitarianism into business and profits." Thus Professor Commons and Dr. Andrews state the principle involved.[2] Some American enterprises, like the United States Steel Corporation, can claim to have started their safety campaigns before the law forced this step upon them.[3] But even so, public opinion and possibly the

[1] For some such efforts see Eastman, *op. cit.*, pp. 95-103; Commissioner of Labor, *24th Annual Report, 1909* (Washington, 1911), vol. i, pp. 1136-1137; Woodbridge, *Mine Accident Prevention*, pp. 21-23.

[2] Commons and Andrews, *Principles of Labor Legislation* (1920), p. 499.

[3] Cf. Beyer, "Accident Prevention," *Annals of the American Academy*, vol. lxx (1917), pp. 238-239.

recognized incompatibility of high speed with the lack of safety precautions may have influenced them. It took compulsion to help many employers from themselves, and to bring the backward into line with the best.

It is not well, however, to get the impression that, even under the stimulus or goad of compensation, all industry is now safe and free from accidents or is rapidly becoming so. The contemporary figures already cited should dispel that notion and show that there is still much to strive for. At a conference of the American Association for Labor Legislation in December, 1925, in which representatives from the state departments of labor of both New York and Pennsylvania gave testimony, it was a debatable question whether industrial accidents are not actually increasing rather than decreasing. Increased activity in manufacturing and in business generally, and the consequent taking on of new employees, result in more than a corresponding increase in accident frequency. The more and more extensive use of machinery, and the undertaking of more and more ambitious engineering and construction projects, inevitably bring new perils, so that safety men sometimes think they are doing remarkably well if they can hold the balance even. There are, indeed, some signs that compensation legislation, having accomplished wonders at the start, is about to verify the old proverb about a "new broom"; that the safety idea, although worked out in much perfection by many large concerns, has never really percolated down to the small- or medium-sized establishments, which, after all, constitute by far the larger number; and that the relatively moderate provisions of many compensation acts do not offer sufficient incentive to further advancement. Since casualty premiums have become somewhat fixed and standardized, there is a tendency to become weary in well-doing—to lump off accident costs as more or less inevitable risks of the business and to let it go at that.[1]

Even in the steel industry, which was a pioneer in point

[1] Cf. Cameron, W., Director of the National Safety Council, "Problem of Industrial Safety," *Proceedings of the International Association of Industrial Accident Boards and Commissions, 1923* (Washington, 1924), pp. 118-119.

of safety precautions, and which the statistical zeal of the Bureau of Labor Statistics has served to key up to the highest pitch, progress has been by no means steady and uniform at all times and in all establishments and departments.[1] Certainly, it is too early yet to boast about the safety of coal mining. An enterprising writer has dug up evidence that the nature of fire-damp, and what was the principal remedy, were known in England as early as 1662. The remedy waited exactly two centuries to be enforced by act of Parliament.[2] Similarly, the effectiveness of rock-dust as a preventive of explosions due to dry coal-dust was demonstrated in England by 1907, and this information has since been applied there in the mine regulations. But in the United States we continue to have reports of several major disasters in coal mines every year. There were ten in 1924 which took a toll of 459 lives. Apparently, the experimental and educational work of the Bureau of Mines is not sufficient; for each year the director complains, in effect, that

> The tested recommendations of the Bureau have not been adopted in the mines as rapidly or as broadly as is necessary if the loss of lives is to be stopped. Consequently, although there has been real progress, as in the decreased loss of life due to accidents from explosives, the death-rate from gas and dust explosions is now as great as ever.[3]

The expense involved in such precautions is shown not to be excessive; but in the depressed state of the industry the great majority of the operators are not persuaded that it would be worth while.

Full confirmation of the view that mere knowledge is not enough to save the world is given by the relative backwardness of the industrial *health movement* in America. The development of the industrial and group departments of private insurance companies, as already suggested, has given one

[1] Cf. Chaney, *Bulletin* no. 339, pp. 36-44.

[2] Osborn, E. B., "The Coal Strike," *Nineteenth Century and After,* vol. lxxxix (1921), pp. 772-773.

[3] Bain, H. Foster, Director, *Annual Report,* 1924 (Washington), p. 6; *American Labor Legislation Review,* vol. xiv, pp. 124-125. A list of the companies that have voluntarily adopted, in part or whole, the preventive method, is given in *ibid.,* vol. xv (1925), pp. 16-19.

active business force on the side of improved sanitation; and their campaign has produced tangible results.[1] The federal tax laid in 1912 put "phossy jaw" from the use of white or yellow phosphorus for matches out of existence; and some of the states have developed factory regulations pertaining to the lead trades and other dangerous conditions. But most of the compensation acts make no provision whatever for occupational diseases; and health insurance has not yet arrived in this country; so that no corresponding financial incentive is offered for reform in this field. The better conditions noted with respect to sanitation and health in British industries are chiefly attributable to such legislative control and the regulations laid down by the Home Office rather than to the superior virtue of British manufacturers.[2]

Dr. Alice Hamilton of the Harvard Medical School, and formerly investigator for the Bureau of Labor Statistics, is probably the chief witness to be called at this point. She leaves little room for doubt that, while there are individual plants or concerns in each of these industries using poisonous materials which are exercising due care, the conditions in most of them are still very dangerous. In the fur-cutting branch of the hatter's trade, she finds four factories that are well constructed and well managed, but the great majority are

> . . . poorly built, crowded, dark, ill-ventilated, and almost incredibly dusty.[3] . . . It is very common to find the blowing-room thick with dust flying through the air and lodging on every surface; the forming and sizing departments full of steam, the floors awash, water dripping from the ceiling. . . . Care of the individual workman has never been a responsibility of the employer in this industry.[4]

In the potteries of the United States she finds conditions

[1] The Metropolitan Life Insurance Company claims that its efforts on behalf of industrial policyholders from 1911 to 1923 have saved 52,600 lives and thus reduced claims on the company by $12,680,000. (*Monthly Labor Review*, May, 1924, p. 183.)

[2] Cf. Mess, H. A., *Factory Legislation and Its Administration* (London, 1926), chaps. iii-v.

[3] Hamilton, *Industrial Poisons* (1925), p. 255.

[4] *Ibid.*, p. 256.

in 1921, as described by investigators for the Public Health Service, almost unchanged from the highly unsanitary conditions which she reported ten years earlier. "Floors are still of wood and are often swept dry. In twenty-five of ninety-two potteries this dry sweeping went on during working-hours. In not one plant did the investigators find a separate modern wash-room provided for the use of employees." Clothing hung in the dipping-room, drinking cups and coffee- or water-pitchers were uncovered. There were no medical supervision or physical examinations, and no effort to instruct the workers in precautions to be taken.[1]

Dr. Hoffman finds that the introduction of pneumatic tools into the granite-stone industry and the consequent return to the dry process have greatly increased the number of cases of phthisis among the workers, and complains of the prevailing attitude of indifference toward the evil.[2] A recent survey of hygienic conditions in the printing trades is far from giving many of the establishments visited a clean bill of health, particularly in the matter of washing facilities and in the removal of fumes and dust.[3] So other industries giving rise to occupational diseases might be reviewed, and it would be found in most cases that prevention has made much less satisfactory progress than with respect to accidents, where compulsory insurance has supplied a financial incentive.

4. PALLIATIVES AND SEDATIVES

Although employers as a class have thus not been prompt to take measures to prevent accidents and disease among their employees, they have not been wholly unaware of these evils nor indifferent to them. It has long been the custom of many firms to continue paying wages or part wages to temporarily disabled employees. Railroads and mining and milling companies have many of them, for years, kept company physicians

[1] *Ibid.*, pp. 178-181. Cf. Hamilton, *Lead Poisoning in Potteries*, pp. 7, 16, 18, 24, 40-41; Newman, McConnell, Spencer, and Phillips, *Lead Poisoning in the Pottery Trade* (U. S. Public Health Service, *Bulletin* no. 116 (1921).

[2] Hoffman, *The Problem of Dust Phthisis in the Granite Stone Industry* (U. S. Bureau of Labor Statistics, *Bulletin* no. 293 (1922), pp. 19-20, 26-27.

[3] Kjaer, *Survey of Hygienic Conditions in the Printing Trades* (U. S. Bureau of Labor Statistics, *Bulletin* no. 392, 1925), pp. 2-3, 6, 8.

and maintained company hospitals to give medical care to injured workmen. Manufacturing corporations, usually operating in more populous centers, were not quite so quick to meet this need; but facilities for first-aid and some provision for expenses of treatment, were fairly common before the days of workmen's compensation.

There was, to be sure, even here, a strange mixture of would-be benevolence and sly business sagacity. The temporarily incapacitated employee, whom it was desirable to get back to work as soon as possible, often fared better under this voluntary plan than one who was wholly incapacitated, or the family of one who had been killed. If a damage suit seemed likely and its success probable, still more solicitude was shown, and very liberal treatment might be accorded in order to obtain release from liability. Advantage was sometimes taken of the weakened condition and isolation of the victim or of his dependents to get such a release signed. Foreign relatives usually got little satisfaction, partly on the ground that identification in such cases was difficult.[1]

But this "special-dispensation" method proved no more satisfactory for dealing with accidents and disability than it was for dealing with superannuation. It was annoying to corporate heads; its injustice was more and more apparent; and it was seen to be a grave cause of discontent. Hence various efforts have been made to systematize and extend such relief, always keeping in mind its reaction upon the business and upon employer-employee relationships. Hospital associations, relief departments or mutual benefit associations, and, more recently, group insurance have all been tried.

The first of these, hospital funds, date back to the eighties, and apparently never had any great vogue.[2] They were some-

[1] Miss Eastman found in 1906 that most Pittsburgh employers bore the larger part of the expense for hospital care of injured men. Yet the average sum received by the widows of men killed in the plants of the two corporations who were most liberal was only $552; and in 67 per cent of the cases of fatal accident in other Pittsburgh plants only funeral expenses were paid by employers. (Eastman, *Work-accidents*, pp. 153-156.)

[2] The Commissioner of Labor reported upon eighteen such funds in 1908. (*Workmen's Insurance and Benefit Funds, 23rd Annual Report of the Commissioner of Labor* (Washington), pp. 271, *et seq.*, 607, *et seq.*)

what too obviously for the purpose of shifting a large part of the burden of maintaining hospitals and caring for sick and injured employees to the shoulders of the employees themselves, while at the same time keeping full supervision and control in the hands of the company. The funds were chiefly raised by assessments deducted from the wages of employees; and the contributions of the company, aside from the cost of managing the fund, were usually small and indefinite. The surgeons and the whole personnel were largely "creatures" of the firm, always helpful in adjusting claims and as friendly witnesses at trials.[1]

Relief departments, or as they are now more often called, mutual benefit associations, also antedate workmen's compensation laws but have had a considerable development since.[2] The Commissioner of Labor found some 36 railway insurance funds of this character in 1908, although only 14 of them were strictly relief departments under company control; and 461 industrial establishment funds, 120 of which were so controlled.[3] Many of the earlier funds were, in fact, formed on the initiative of employees and remained in their control. The later growth of the idea has been more largely due to the suggestions of the management. The National Industrial Conference Board studied 382 mutual benefit associations in 1923, and estimated the total number in the industrial field alone at between 700 and 800.[4] However originated, the primary function of such funds is to give aid to the employees of a given concern during sickness and disability, and to provide benefits at death, whether these misfortunes are due to industrial or to outside causes. They thus cover a territory considerably broader than that covered by workmen's compensation, and have not been superseded by it except so

[1] *Ibid.*, pp. 607, *et seq.*; Allport, "American Railway Relief Funds," *Journal of Political Economy* (Chicago), vol. xx (1912), pp. 49-78.

[2] "Sick and Burial Clubs" are a similar development in Great Britain. (Cf. Webb, *Industrial Democracy*, pp. 550-551.)

[3] *23rd Annual Report*, pp. 271, *et seq.*, 387, *et seq.*

[4] National Industrial Conference Board, *Experience with Mutual Benefit Associations in the United States* (*Research Report* no. 65 (New York, 1923)), p. 3.

far as industrial accidents are concerned. Having great possibilities for good, they have also had possibilities for evil and oppression; and have commonly been viewed with suspicion by the organized labor movement.

The grounds for this antagonism, particularly in some of the older funds under corporate control, and in the old days of employers' liability suits, readily appear from a closer analysis of their methods of operation and their results. With the exception of such huge relief plans as that adopted in 1910 by the United States Steel Corporation in co-operation with Mr. Carnegie, and that started the same year by the International Harvester Company, the revenue for the maintenance of these departments or associations has been chiefly derived from the employees themselves. The contributions made by the railway companies in 1908 were found to be purely fractional—in one case less than 1 per cent of the total cost, and in but a single instance was the proportion so much as 50 per cent. Industrial establishment funds were financed in a similar manner and apparently are still.[1] It is a bit insincere for a large corporation like the Pennsylvania Railroad to claim public approval because of the large payments made by its relief department to injured employees, when its own contribution for the purpose has been only 15 per cent.

Yet the object of employers in starting these associations, and their purpose still, has been more one of self-interest than of altruism. Beyond getting rid of the annoyance attending the old system, or lack of system, of casual relief, they have expected to improve the loyalty, contentment, and *esprit de corps* of their working-force.[2] Some, at any rate, of the companies have confessed that they had in mind the possibility of forestalling unionism, and persuading the workers to look to this innocent mutual benefit association for assistance instead of to the union. Membership in the great majority of the associations is ostensibly voluntary, and laws have been passed in several states requiring that it

[1] Commissioner of Labor, *op. cit.*, pp. 355-359; 398-399; National Industrial Conference Board, *op. cit.*, pp. 2-3.

[2] Cf. *Ibid.*, pp. 5, 13.

shall be.[1] But it is known that formerly, at any rate, the silent operation of economic pressure, especially upon the more hazardous branches of the railway service, was usually sufficient to compel membership. The Baltimore and Ohio Railroad, for example, openly required all eligible employees to become members, and stated that "in all reductions of force, preference as to retention of service is given to members." [2] One secretary of a relief association in Pittsburgh told Miss Eastman in 1906, "It is voluntary because it claims to be, and compulsory because every man must join in order to obtain work." [3]

But the greatest advantage of the relief department in pre-compensation days was, as with the hospital associations already mentioned, in dealing with industrial accident cases. Leading railways and some industrial corporations required the employee, when he applied for membership, to sign an agreement forfeiting all claim upon the fund, should he bring a suit for damages against the company. Acceptance of benefits was thus "to operate as a release of all claims against the company for damages arising from the injury." [4] And the contribution of the company to the fund, even though small, was held by the courts to constitute the "consideration" necessary in law to make such a contract binding.[5] That release from suits was obtained in most instances, the frank testimony of the superintendent of the Baltimore and Ohio Relief Association proves. He boasted:

> The operation of a relief department is practically a guarantee of immunity from damage suits. . . . The Baltimore and Ohio Relief Department settled, on a benefit basis only, 99.2 per cent of the injury cases and 97 per cent of those of accidental death.

In addition to this it escaped "a great deal of unenviable

[1] National Industrial Conference Board, *Research Report* no. 65, pp. 16, 18-21. The anti-union purpose is declared to be no longer common.

[2] Commissioner of Labor, *op cit.*, pp. 297, 300. Cf. also, pp. 316, 355.

[3] Eastman, *Work-accidents*, p. 203. Cf. Allport, *Journal of Political Economy*, vol xx, pp. 112, *et seq.*, 117-118.

[4] Commissioner of Labor, *Report*, 1908, pp. 272, 299, 318, 357; Henderson, *Industrial Insurance in the United States* (Chicago, 1909), p. 192; Allport, *op. cit.*, pp. 106-108.

[5] Cf. Allport, *op. cit.*, p. 118, *et seq.* Eastman, *op sit.*, p. 183, *et seq.*

notoriety."[1] All this for an annual contribution to the fund of about $16,000! The unwillingness of an employee or of his dependents in distress to forfeit the assured benefits from a fund to which he had been contributing, for the sake of trying weapons in the courts where all the advantages in point of legal talent, company surgeons, and other intimidated witnesses were on the side of the employer, can easily be appreciated. Also, it can be understood why corporations had such small incentive to provide safeguards and to prevent accidents to their employees.

This same objection—that of a loss of freedom and independence—accounts for the jealousy with which the American Federation of Labor and the unions affiliated with it have viewed group insurance; and is a principal reason why they have now organized a Union Labor Life Insurance Company to provide various types of insurance, both individual and group, for their members.[2]

Under the group insurance plan as written by the Aetna, the Metropolitan, the Travelers, and other large companies, and adopted by such large corporations as the Commonwealth Edison of Chicago, the Erie Railroad System, Yale and Towne, the Kellogg Company, and numerous others, a policy is issued to the employer for all of his employees, or for a certain class or certain classes, considered as a group or groups, and "precluding individual selection." The premium may be paid jointly, but is most often paid by the corporation itself. Benefits may take the form of life insurance payable at death or upon proof of total and permanent disability, or of accident and sickness insurance payable during periods of disability. The amount of life insurance which the employee can thus apply for through his employer is usually based upon the length of his service with the company, with a maximum in most cases of about $1,500. Insurance terminates with employment, with the privilege of applying to the insurance

[1] Barr, S. R., *Advantages of the Baltimore and Ohio Relief* (1909) (pamphlet), quoted in Allport, *op. cit.*, pp. 116-117.

[2] Cf. American Federation of Labor, *Proceedings*, 1924, pp. 44-49, 266-268; 1925, pp. 33-34, 230, 381; *American Federationist* (Washington), vol. xxxii, pp. 667-668, 797-799.

company for an individual policy at the usual rates, but without the necessity of a physical examination.[1]

There are unquestioned advantages to the average employee in group insurance, and it often supplies in some measure a protection which he would otherwise lack.[2] The advantages expected by the employing corporation, and which make it willing to incur the expense, are also fairly clear. It is claimed that such provision for mishaps and death help to dispel the fears of the worker, and to bring employer and employee together on a basis of understanding. The Commonwealth Edison Company finds that:

> Efficiency is improved. Loyalty to the company is increased. The mental outlook of employees on industrial questions tends to become more healthy. . . . A more dependable class of workmen is attracted by these plans.[3]

Labor turnover is cut down because a man thinks twice before leaving. But, as stated before, labor in its organized capacity is not convinced but that, whatever their apparent, immediate benefits, all of these employers' schemes—hospital associations, relief departments or mutual benefit associations, and group insurance—are in the nature of sedatives or sugar-coated pills which deaden the workers to their real and ultimate interests.

[1] Cf. Chamberlain, "Group Insurance as a Factor in Industrial Relations," *Industrial Management,* vol. lxvii (1924), pp. 149-150; Erie Railroad System, *Insurance Plan for Employees* (pamphlet); Niesz, "'He's a Better Workman Now': An Experience with Group Insurance," *System* (Chicago), vol. xliii (1923), pp. 750-752, 829.

[2] Dr. William B. Bailey, economist for the Travelers Insurance Company, found from a study of some 2,000 beneficiaries of group accident and sickness insurance policies that more than 90 per cent had no other sources of benefits, having either never had any or having given them up when offered group insurance. (*Industrial Management,* vol. lxvii (1924), pp. 31-33.)

[3] Niesz, *op. cit.*, p. 829. Cf., however, Fred T. Ley, in *System,* vol. xlvi (1924), pp. 328-329, and *Industrial Management,* vol. lxviii, pp. 250-253, for doubts and criticisms.

CHAPTER VI

WAGES

1. THE "PARAMOUNT ISSUE"

If we can judge regarding what people want by what they most frequently discuss and most loudly clamor for, then the labor problem from the point of view of the workers is primarily "the wages question." Wages are the financial reward which labor gets for its toil—for all of the time and effort expended, the skill put forth, the strain and monotony experienced, the risks and uncertainties incurred. Given an assured income, sufficient to maintain a happy and comfortable life outside, the average worker would probably find the ills and dangers incident to his labor slipping into the background. High wages received during a period of active employment would convert unemployment into a vacation instead of a season of deepest anxiety and hardship. If the rate of wages in dangerous trades were always high enough to provide proper medical care and adequate means of support in case of sickness or injury, doubtless few would hesitate to undergo the risks for a time, and to abide by the consequences without grumbling. The demand for shorter hours has often been closely connected with a desire for higher wages. Indeed, most of the other grievances of labor are likely to appear as indefinite and latent causes of discontent, and do not often give rise to specific demands upon the individual employer for redress. They are "talking points" for making an appeal to the public when legislative help is desired, or when public sentiment can bring pressure to bear upon a recalcitrant employer in a wage-dispute. The coal miners, for example, use the risks of their trade as a reason why their wages should be advanced. Wages are rather a fairly definite and, to the worker, a clearly remediable point of difference between him-

self and his employer. Both in Great Britain and in the United States they have been the chief bone of contention in from one-half to two-thirds of all labor disputes. They have furnished the name for the present system of production most often used in working-class literature and propaganda. It is against the "wage-system" and all its works that the radicals fulminate.

Yet, for all their dissatisfaction, the workers, with the possible exception of the socialist contingent, have had no clear or well-defined theory of wages. Unionists commonly avow as their object to get as much as they can and to get it now. They are confident that the employer's profits are derived in whole or in part from their services, and are bent upon increasing their share of the product. As a rule, particularly when on the defensive, their claims have quite naturally been based upon a close-range, cost, or disutility theory of wages, in which they stress the high cost of living, the irksomeness of toil, and the sacrifices and perils already referred to. But in a relatively prosperous period like 1925, when according to index numbers the cost of living has been falling rather than rising, the American Federation of Labor recognized that a more optimistic and possibly more aggressive philosophy and policy were required. Hence, in the resolution upon the subject adopted at its annual convention, it seemed to make some concessions to the productivity theory of wages, which is the favorite of present-day economists; and justified the existing scale of wages, and even a demand for a higher scale, upon the immensely increased productive power and possibilities of modern industry in which labor co-operates, and from which it ought to have its due share of reward.[1] Doubtless this new interpretation made by new leaders, while it represents a real advance in economic thought, and may have a beneficial effect upon union tactics, only serves to confirm the impression that union men are opportunists and "practical men," and not theorists at all.[2]

[1] Cf. American Federation of Labor, *Proceedings*, 1925, pp. 231, 233, 271.

[2] The statement of the law of distribution now accepted by leading economists is that of marginal productivity. It is, in essence, merely an application of the general law of value or marginal utility to the valuation of productive

2. THE TREND OF REAL WAGES

Modesty is nowhere more becoming than in the analysis and interpretation of wage-statistics. Their incompleteness has caused this to be a free field for conjectures which, no matter how wrong they are suspected of being, prove difficult to refute. Even when the inquiry is actuated by the best of intentions, there are many difficulties. Between different periods the meanings of terms vary, and we cannot be certain that we are comparing really similar or comparable things. Money values present the baffling phenomenon of a measuring-stick that itself shrinks at one time and stretches at another. It

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agents. According to this law, each factor in production receives, or tends to receive, a reward in exact proportion to the contribution which the last available unit of that factor, competing in the market for employment or use, makes to the joint product of the four factors. The relative abundance or scarcity of any factor and the relative importance of any unit of that factor in the productive process fix quite automatically the pay which it will receive. If labor is scarce and the mode of production necessitates the employment of a certain number of laborers, then the bargaining position of labor will be good and wages high. Thus the value of the product is reflected back to the agents of production.

Other wage-theories, while possessing elements of truth, are incomplete and superficial. The "subsistence theory," which was made the basis of Lassalle's "iron law of wages," has been somewhat inconsistently and unfortunately adopted by many of the socialists. It makes wages depend upon the cost of raising and maintaining a labor supply. Even though interpreted broadly to allow for the prevailing standard of living, it places the emphasis in the wrong place. Product and utility are the more fundamental concepts, since only they, in the long run, impel people to action and justify them in undergoing the cost involved. The "wages-fund theory," that wages are paid out of capital rather than out of product, and are limited quite strictly by the fixed amount of capital available at any time for this purpose, is now discarded; but it was awake to the truth that the productivity of labor, hence its wages, is conditioned by the relative abundance and efficiency of the other agents with which it co-operates, and that these are capable of increase only over considerable intervals of time. (Cf. Mill, Cairnes, Senior, etc.) The "discount theory," developed by Professor Taussig, states the interesting although not especially revelatory fact that, when the laborer sells all claim to the joint product for ready money (his wages), he gets only the present value or the discounted future value of his contribution to that product. (*Principles,* ii, p. 214.) The "bargain theory" so-called holds that labor gets what it can compel the employer to pay. (Davidson, T. S. Adams.) It may offer a working-hypothesis; but, since it gives no indication of what it is that determines the strategic position or bargaining power of the different parties to the wage-contract at any particular time, it is really not a theory or principle at all. The complexity of the factors influencing a given wage-rate, and thus the application of the underlying law, is well stated by Hamilton and May in *The Control of Wages* (New York, 1923), chap. x.

being acknowledged that real wages or purchasing-power in terms of goods should be the only criterion, we are confronted with the known fact that the objects of the average wage-earner's expenditure and the content of his standard of living change with time and place and with the progress of invention and the arts. Even when we are able to get fairly reliable hourly or weekly rates of wages in a given industry, the problem arises of reducing this to yearly income; and for this a dependable employment index is necessary. Thus there is really nothing simple about the whole situation.

Yet, through the honest efforts of disinterested persons, and a clearer recognition of the various limitations and pitfalls, great progress in the scientific collection and use of wage-figures has been made. The Massachusetts Bureau of Labor was probably the pioneer in this direction when it began to gather data in 1870. The British Board of Trade did not engage in the quest until after 1886. For earlier periods in the two countries, we are largely dependent, in the first place, upon some individual, privately conducted inquiries, such as those of Tooke, Porter, Thorold Rogers, Giffen, and Bowley; and, in the second place, upon compilations of scattered and fragmentary remains, such as the one drawn from old English blue-books by the Board of Trade, and the vast array of figures taken from old account books and similar sources, published by the Massachusetts Bureau in 1885. In the United States, public curiosity regarding the middle period of the nineteenth century was formerly fed to a considerable extent upon the Aldrich Committee report of 1893; but this has been ruled out by trained statisticians as being dominated by a political purpose and being unsound in method.[1] Since about 1890, however, we have fairly adequate, although not always comparable, returns for many trades in the principal industrial countries; and in the United States since about 1914, taking together the wage-statistics supplied by the *Census of Manufactures*, by the Bureau of Labor Statistics, and

[1] Cf. Bullock, "Contributions to the History of Wage Statistics," *American Statistical Association Publications*, vol. vi (1898-99), p. 187, *et seq.*; Mayo-Smith, *Statistics and Economics* (New York, 1899), p. 312, *et seq.*

by the labor departments of New York, Wisconsin, Massachusetts, and other states, we have substantially all the indices required for accurate work.

The scanty information available respecting wages in England during the period of the Industrial Revolution and down to about 1850 is quite inconclusive. Perhaps in the face of the misery and degradation known to have existed in that era of war, industrial transition, and unenlightened governmental policy, no one would have the hardihood to claim that the financial condition of the workers was improving. Thorold Rogers thinks that during the years 1800-12 the wages of agricultural laborers and artisans, even when supplemented by parish relief, were not proportionate to the increased cost of living.[1] Between 1820 and 1840, however, he thinks that, while there is some doubt about the course of money wages, "the intrinsic value of these wages as measured by their purchasing power was greatly increased." [2]

Dr. Gaskell,[3] Frederick Engels,[4] and, more recently, Mr. and Mrs. Hammond [5] give a more positive and less favorable picture of the time. It is plain that to the old skilled craftsmen, such as the handloom weavers, the new machine system meant a more or less gradual decline of earning power, and eventual ruin; but our sympathy for them is less, because their hardships were aggravated by their stubborn refusal to conform gracefully to the inevitable. Our attention must rather be bestowed upon the people who worked under the new system itself. In the absence of records of the previous earnings, if any, of the women and children, and of the unskilled workers drafted into the factories, we cannot make a "before-and-after-using" comparison. But the very fact that the women and children went or were put into the mills was largely the result of wages insufficient to support the family

[1] *Work and Wages* (New York, 1884), pp. 409-410.

[2] *Ibid.*, p. 504. Leoni Levi thinks that both money wages and purchasing power were increasing in these two decades.

[3] Gaskell, *Manufacturing Population of England* (1833).

[4] Engels, *Condition of the Working Class in England in 1844* (London, 1892), esp. pp. 19, *et seq.*, 95, *et seq.*

[5] Hammond, *The Town Labourer, 1760-1832* (London, 1917), *passim.*

otherwise. In many parishes the overseers refused relief unless the children were put to work. Evidence before the factory commissioners in 1833 showed that miners in Lancashire (who were a better-paid class than weavers) got only 15*s* per week when fully employed; that this often dwindled to 10*s*; and out of that sum they also had to pay for tools and candles.[1] Mr. and Mrs. Hammond declare that, while the industries of England were prosperous and rapidly expanding during the period they discuss (1760-1832), and while great fortunes, such as those of the Peels and Arkwrights, were being drawn from them, "the vast mass of people working in these industries were not even receiving a maintenance from them. It is true of the cotton weavers, of the framework knitters, even of some of the miners, that they were supported partly by the parishes, partly by their children." [2]

Professor Cheyney also takes a pessimistic view of conditions in this period:

> The effect of the introduction of machinery and of large amounts of capital, and the adoption of a new industrial organization, was, for the time at least, and under the influence of *laissez faire*, deleterious to the masses of the people. England had a great body of population, overworked, underpaid, underfed, uneducated, and untrained, without opportunity and without incentive.[3]

From such a soil sprang the Luddite riots, Owenism, Chartism, and the violence and lack of moderation of early unionism. It was with these conditions in mind that Marx and Engels drew up their wholesale indictment of the capitalist system. The *Verelendungstheorie* was not far wrong as an interpretation of working-class conditions in England during the first half of the nineteenth century.

The overwhelming burden of testimony, however, is that there was a marked betterment in conditions and an increase in real wages in all the principal industrial countries after about 1850. Chevallier and the *Office du Travail* noted it in

[1] *Ibid.*, pp. 34-35.
[2] *Ibid.*, pp. 95-96. Cf. p. 105.
[3] Cheyney, E. P., "The Trend toward Industrial Democracy," *Annals of the American Academy*, vol. xc (1920), pp. 3-4.

France;[1] and Professor Ashley has described it in Germany.[2] Professor Bowley finds an increase of about 25 per cent in the general scale of wages in England during the period 1860-91, with as much as 45 per cent in shipbuilding and the engineering trades for a similar period.[3] Massachusetts figures, which offer a fairly complete set of items for different trades as early as 1820, indicate that the general level of wages in the state rose over 50 per cent between the decade ending in 1830 and that ending in 1860, whereas the prices of fourteen staple articles rose only 12.7 per cent. The figures for a later period published in 1897 are more equivocal, showing an increase in money wages in some industries since 1872, and a marked decrease in others, modified in each case by a fall in prices.[4] The Aldrich report claims an increase of 68.6 per cent in average wage for all industries between 1860 and 1891.[5]

Professor Mayo-Smith concludes a survey of wage statistics in 1899 with this statement: "All the statistics seem to show that wages have been advancing during the last thirty to fifty years. This is true of money wages, and, owing to the fall in prices since 1873, still more true of real wages."[6] Dr. King ventures to be more specific regarding wages in the United States: "Throughout the half century, the earnings, measured in terms of commodities, of the average employee showed a most gratifying increase, practically trebling in the five decades."[7]

For the period from 1890 to 1914, and even somewhat beyond, the showing was less roseate. Money wages continued,

[1] Chevallier, *Les salaires au XIX^e siècle* (Paris, 1887), pp. 42, *et seq.*, 49, *et seq.*, 57-59; Office du Travail, *Salaires et durée du travail dans l'industrie française* (Paris, 1897), esp. vol. iv, pp. 25, 277.

[2] Ashley, W. J., *Progress of the German Working Classes in the Last Quarter of a Century* (London, 1904), pp. 89-93, 97, 102-103.

[3] Bowley, *Wages in the United Kingdom in the Nineteenth Century* (Cambridge, 1900), pp. 62-63, 114, 117, 126; Bowley and Wood in *Journal of the Royal Statistical Society*, vol. lxix (1906), pp. 154-192.

[4] Bureau of Labor, *Report on Statistics of Labor*, 1885 (Boston), pp. 454-467; *ibid.*, 1898, pp. 36-41.

[5] *Wholesale Prices, Wages, and Transportation* (Washington, 1893), vol. i, p. 176.

[6] Mayo-Smith, *op. cit.*, p. 330.

[7] King, W. I., *Wealth and Income of the People of the United States* (New York, 1915), pp. 171-172.

indeed, to rise very noticeably; but both here and abroad they apparently rose less rapidly than the prices of the things which the workingman buys. Such a recession in real wages from 1895 to the outbreak of the War was noted by several British writers; [1] and there is evidence that the downward trend persisted in most industries for some time after the War was over.[2] In America, index numbers showed that the cost of living rose, between 1890 and 1912, from 50 to 60 per cent; but the average wages in a number of the principal industries rose by a considerably smaller percentage—in the silk industry only 18.8 per cent; in the lumber industry, 29 per cent; in boot and shoe factories, 34.8 per cent; and in the hosiery and knit-goods industry, 36.1 per cent.[3] Dr. Rubinow, from an analysis of the wage-reports of the Bureau of Labor Statistics, in comparison with retail prices, declared that in the course of twenty-five years real wages had fallen from 10 to 15 per cent.[4] Dr. King also noted that "after 1896, the progress upward ceased, and, since 1906, there are some suspicious indications of a general decline." [5] Professor Fairchild was confident that the average worker had a larger margin to devote to cultural wants in 1890 than he had in 1908.[6] And other writers came to equally dire and pessimistic conclusions.[7]

During the European War American labor was quite as often accused of profiteering as were the capitalists with war-contracts; and the seemingly fabulous wages "pulled down" by men working at construction and in shipyards, steel mills,

[1] Professor Pigou notes the beginning of such a check in the previous advance about 1896 and believes there was an actual though small decline down to 1914 (Pigou, A. C., *Essays in Applied Economics* (London, 1923), chap. vii.) Cf. Chiozza-Money, *Things That Matter* (London, 1912), pp. 2-3; Snowden, *Wages and Prices* (London, 1920), pp. 36-37.

[2] Labour Research Department, *Wages, Prices and Profits* (London, 1922), pp. 37-39; Webb, *History of Trade Unionism* (1920), pp. 643-644.

[3] United States Bureau of Labor Statistics, *Bulletin* no. 128 (1913), p. 172; *Bulletin* no. 129, p. 6; *Bulletin* no. 134, pp. 6, 71.

[4] Rubinow, "The Trend of Real Wages," *American Economic Review*, vol. iv (1914), p. 793, *et seq.*, esp. pp. 812-813.

[5] King, *op. cit., pp.* 193, 178-179.

[6] Fairchild, "The Standard of Living—Up or Down?", *American Economic Review*, vol. vi (1916), pp. 9-25, esp. pp. 24-25.

[7] Cf. Streightoff, *Distribution of Incomes in the United States* (*Columbia University Studies*, vol. lii (1912), p. 104; Parmelee, *Poverty and Social Progress* (New York, 1916), pp. 361-365.

and munitions factories were often cited in proof of the charge. But the cold light shed by the figures of average earnings for the period, as compared with the rapidly mounting cost of living, gives quite the opposite impression. There was, to be sure, a loss of equilibrium between wage-rates in different industries, which led to much shifting about—was, in fact, intended to call labor to the points where it was most needed. Not until 1918 and after, however, did the average real earnings of employed workers in the chief manufacturing industries show any conclusive advance as compared with those of 1914 or the average for the decade 1890-99. John A. Fitch concludes a review of the various tables and the deductions drawn from them by different writers with the statement that:

> Such data as are available seem to indicate that labor generally suffered a decline in purchasing power during the period 1914-17; wages began to catch up in 1918, and for the most part caught up with prices somewhere between 1919 and 1920.[1]

From 1918 or thereabouts down to 1925 it would take a person with close-fitting, deep-dyed blue glasses not to be able to see substantial improvement in the position of labor in the principal industries of the United States. For the sake, presumably, of getting back to a year or period more nearly normal than any war-year, the two or three principal studies of this advance that have thus far appeared have chosen to compute it from 1914 or even from 1890. The National Industrial Conference Board, for example, finds real wages in September, 1924, to have been 26 per cent above those of July, 1914,[2] and Prof. Paul H. Douglas, in a thorough revision and supplementing of his earlier estimates, indicates that there was probably an increase of 28 per cent in annual real earnings in the chief manufacturing industries, during the period from 1918 to 1924, and approximately the same rate if the average

[1] Fitch, *Causes of Industrial Unrest* (New York, 1924), p. 40. Cf. National Bureau of Economic Research, *Income in the United States* (New York, 1921), pp. 94, 101-103, for a somewhat more favorable view; Douglas and Lamberson, "Movement of Real Wages, 1890-1918," *American Economic Review*, vol. xi (1921), pp. 409-426.

[2] National Industrial Conference Board, *Wages and Hours in American Industry* (New York, 1925), p. 75. The rate for May and June, 1923, they find to be 35 per cent above July, 1914 (p. 44).

wages for the period from 1890 to 1899 are taken as the base.[1] But it should not be forgotten, as Professor Douglas is himself careful to point out, that almost all of this increase occurred after 1918.

3. EXPLANATIONS

Wages have thus had their ups and downs during the past century. Explanations given for the trend in the different periods noted vary widely, particularly in the emphasis placed upon different factors. It is easy to determine in what direction each of these factors is working, whether to raise or to depress wages; but it is well-nigh impossible, when they are acting more or less simultaneously, to assign to each its relative weight and responsibility.

The general teaching of the productivity school of economists with respect to wages and the future of the wage-earning class has been decidedly optimistic. Their writings give the impression that the workers have been the chief beneficiaries of the capitalist mode of production. Co-operation with larger and larger amounts of capital, in more and more productive forms, has so increased their efficiency that they not only stand to gain as consumers of cheaper goods, but to receive in wages an increasing proportion of the total product. Since capital tends to increase more rapidly than labor, each unit of labor becomes endowed with an added importance. "The tendency is for capital to be running after labor rather than labor after capital; and, while interest or profit—whatever the share of capital be called—tends to fall, wages tend to rise." [2]

The enormously increased productive power of industry under modern capitalistic methods is admitted by all. The increase has continued, if it has not actually accelerated, down to the present day. Several attempts have recently

[1] Douglas, P. H., "The Economic Significance of the Movement of Real Wages," *American Economic Review, Supplement,* March, 1926, pp. 33-38.

[2] Smart, *Studies in Economics* (London, 1895), p. 27. Cf. Moore, *Laws of Wages* (New York, 1911), esp. chap. iii for an able effort to give statistical proof of optimistic deductions from the productivity theory. Cf. also Clark, *Essentials of Economic Theory,* pp. 299, *et seq.,* 315, *et seq.*

been made to measure the growth of the physical volume of production in the United States, and the consequently increased income in terms of goods available for distribution and use. All agree that the per capita production in factories has increased by 30 to 50 per cent in the past quarter of a century.[1] No well-informed person believes that the end has yet been reached. The report of the engineers upon waste in industry would indicate the possibility of an enormous further increase in efficiency, even with the forces and facilities already at hand.[2]

The question is rather one of distribution. Who is mainly responsible for this increase, and who gets it? How have modern machine methods altered the relationships and the comparative importance of the factors in production, and thus the reward which each should get under the productivity theory? Has labor been the passive recipient of bountiful gifts more or less automatically bestowed upon it?

The real nature or working formula of the capitalistic mode of production has already been stated. Its superiority over previous methods lies mainly in its better harnessing and utilization of both natural and human energy. Labor, as such, aside from that of the scientist and inventor, was not the prime mover. The average laborer doubtless works hard enough, but not necessarily harder than before. As Professor Levasseur says, "He is not the cause of his increased productivity; it is the machine that causes it, and he did not invent the machine. He expends no more time, nor physical force, nor even, in most cases, more skill than for hand labor." [3] Machinery, as we have seen, has diminished the strength and skill demanded of the average laborer, decreased the time it takes to learn a trade, and thereby thrown down the flood gates to competition of the unskilled with the skilled.

[1] Professor Douglas, in the paper already referred to, indicates an increase of 52 per cent since 1899. Cf. National Bureau of Economic Research, *Income in the United States*, vol. i, pp. 79-81, for a summary of the production indices of Dr. E. E. Day, Prof. W. W. Stewart, and Dr. King.

[2] Federated American Engineering Societies, *Waste in Industry* (Washington and New York, 1921), esp. chaps. i-iii.

[3] Levasseur, *Comparaison du travail à la main et du travail à la machine* (Paris, 1900), p. 65.

The "marginal laborer" in a given industry which has come under the machine system is no longer a skilled craftsman who has served several years' apprenticeship at the trade, but rather the comparatively untrained immigrant, woman, or child. The expansion in the demand for goods with increased wealth and lower prices may prevent, during a period of time, any reduction in the aggregate number of laborers required. But the *quality* of their labor has depreciated. The contribution which the individual operative or machine-tender makes to a given product is obviously less than that of the skilled workman under the handicraft system; and it is only by contributing to a larger number of units that he could be said really to produce so much as before.

Natural agencies, on the other hand, comprehended under the term "land"—mineral wealth, coal, water-power—formerly unknown or lightly regarded, have increased immensely in importance; and, being relatively fixed in amount, are destined to rise greatly in value. Capital is especially the factor that is playing an increasing share in the productive process. It finances the roundabout system of production, and in its technical forms embodies the last word of science applied to industry. In many instances capital seems to be a substitute for labor—its competitor rather than its complement or companion in production. Management, in turn, may be responsible for many of the ills and wastes of modern industry; but it should also be credited with most of the progress made and the degree of efficiency achieved. It involves, in particular, that faculty which is able to recognize a good thing when it sees it, and which is able to keep many different things moving at once and to a common purpose. Under the highly complex, large-scale methods now prevailing, it offers scope and occupation for the most acute and best-equipped minds. Business may yet become a profession.[1]

Why, then, when each of the other three factors in production seems to have taken on added importance, whereas labor, in the generally accepted sense of the term, holds a

[1] Cf. the contention of Frederick W. Taylor that the corporation is entitled to the larger share of the gains resulting from scientific management.

less strategic position than before, should labor assert its "right to the whole product," or even expect that the increase in wages will keep pace with the increased productivity of industry already noted?

It is, of course, impossible to answer such questions without considering the relative supply or abundance of the factors, as well as the relative demand for them. The factor upon whose accumulation and relative abundance the productivity theorists have chiefly based their optimistic predictions is, as implied already, that of capital. The wealth which capitalistic industry has brought, the stronger inducements and better facilities now offered for saving and investment, and, perhaps, a lower time-preference, all tend toward rapid accumulation. Doubtless, the rate of interest would decline somewhat if wars and disasters would only give it a chance. If capital were very cheap, its substitution for skill might, to be sure, be carried further, and the long-dreamt-of-day of automatons approach realization. But the proximate effect, it is argued, would be to quicken enterprise, and to give to labor abundant employment at good wages. Working only with the best equipment, labor would be highly productive and highly paid.

That this has not been uniformly the tendency of machine production, and that there have been, as shown above, at least two extended periods in the history of wages under that system when they appeared to decline rather than to advance, may be partly accounted for by the relative *supply of labor* itself. Since the effect of machine methods is to level down the upper grades of labor, and to level up the lower grades, bringing the unskilled into more direct competition with the skilled or semi-skilled, any relative increase in the labor-supply from any quarter, greater than industry is quickly able to absorb, must cause irregular employment, and depress the wage-scale. The new arrivals may, and probably do, improve their financial status, previously very low; but the general level of wages in the country falls. The drafting of women and children into British mills during the first half-century after the Industrial Revolution was such a depressing influ-

ence. Their presence in the factories and the establishment of a family-wage as the standard tended in England, as it has more recently in our own Southern mills, to perpetuate and to aggravate rather than to cure the evil of low wages for men. Nor need one be "batty" on the immigration question to believe that the unrestricted influx of "new men" with "strange faces, other minds" into the United States, especially from 1890 down to 1914, prevented the general level of wages here from rising, if it did not cause them actually to fall.[1] Machine methods enabled the untutored European farm laborer to enter American manufacturing plants, and practically to double or even to treble his former wages. But who will say that the gain to the Slav and the South Italian was equal to the loss sustained by the Yankee? Conversely, some share of the improvement in American wages since 1918 is attributable to the quota laws for immigration restriction.[2]

Furthermore, under capitalism the worker suffers in his *bargaining power*. His weakness as an individual in marketing his services is now well recognized. Theoretically, the demand for his services and the wage he can exact from employers competing for them are determined by his productivity; he can hold aloof until an amount equal to his product is offered to him. Actually, he is caught in the meshes of poverty and cannot help himself. Low wages have made it difficult if not impossible for him to save anything; and the manner of his life and what he sees others enjoy do not encourage frugality. The superior efficiency of large-scale machine-production makes it impossible for him to set up for himself and work independently. He must hire out to the possessors of capital; his position is frequently that of the bankrupt, who must sell at a sacrifice in order to meet pressing, immediate demands. The industrial world does not seem nearly so eager for his labor as he is for money. With the

[1] Cf. Fairchild, *Immigration* (1925 ed.), pp. 298-309; King, *Wealth and Income*, p. 182, *et seq.*

[2] Cf. Douglas, *op. cit.*, pp. 45-46. For evidence that the wages of different grades of labor have become more nearly equal—that grades are disappearing—see Bowley, *Wages in the United Kingdom*, p. 117; Ashley, *German Working Classes*, pp. 87-88, 104.

exception of periods of war-prosperity or similar booms, the labor market is not ostensibly a "sellers' market," as economic hypotheses would picture it. Considering the concentration of industry, the ease of an understanding among a limited number of employers, together with his own restricted information and mobility, the laborer has little range of choice. The capitalist-employer needs labor, it is true; but, with a working balance to rely upon, a single workman more or less does not seem to him of vital importance. At any rate, it is to him a question of profits, and not, as to the laborer, one of life and death.

Yet, if conditions were static, the worker might be able to adjust himself to them, and to secure his just due, whatever that may be. Instead, they are very dynamic, and new situations constantly confront him. Anything that diminishes the skill required thereby diminishes the bargaining power of the laborer as compared with that of the employer. The substitution of machinery for skill has proved from the beginning an effective method of inspiring fear and uncertainty in the ranks of labor. It teaches any particular group of laborers that their services are not indispensable, that they have no vested interest in their positions. The employer, meantime, rejoices "as a strong man to run a race." He can draw upon hitherto untapped sources of labor and finds the new, if less intelligent, at least more submissive and subservient than the old. The foreigner and the machine go well together. One might almost say that there are *four* parties interested in the labor contract and the labor problem: the public, the employer, the employee, and "the other fellow." And the other fellow commonly plays into the hands of the employer. Freedom of contract and the productivity theory under such circumstances become empty phrases.

The workers have also alternately gained and lost in the gamble of price fluctuations due to our *unstable monetary standard.* Being affected largely by custom and slow in adjustment, wages have fallen more slowly than prices in some periods (as in 1873-97), and have risen more slowly than prices in others (as from 1897 to about 1918). In the first

case, however, annual earnings, which are much the best measure of income, are likely to be cut down by trade depression and irregular employment, pending the adjustment of enterprise to the new scale of prices. The comparatively high *rate* of daily wages maintained during the period following 1873 gives an altogether too favorable impression of the position of labor, because there were long years of gloom, uncertainty, and unemployment during that interval. The rapid rise of prices after about 1897 was likewise an important influence in producing lower real wages. Enterprise was very active; business was prosperous except for brief reactions; the demand for labor was strong, and wages were repeatedly advanced. But the inferior position of the workers in bargaining—the friction involved in exacting concessions from employers—caused wages to lag behind the cost of living.

The more tolerable condition of labor in Great Britain after about 1850, on the other hand, may be partly attributed to the improved organization and bargaining power which became manifest about that time. The value of unionism and labor politics is a subject for later discussion. But here it may be said, that a higher standard of living and a declining birth-rate; the spread of democratic ideals and the growing intelligence of the masses; child-labor laws and other labor legislation; and, finally, the progress of trade unionism, have all helped to give the workers something to stand upon, and to make both employers and the public more ready to listen to their demands and to consider their interests. Part at least of the gains which the new system made possible for them, both as producers and as consumers, were not dissipated in a higher birth-rate, but have been incorporated into their customary mode of living, and made the starting-point for fresh advances. The fire of ambition and the spirit of independence have been kindled in their breasts, particularly in those of their leaders; and, if these cannot find satisfaction through individual channels, they are directed toward collective efforts and collective advancement. The respect which large employers now have for the power of organized labor, and their hesitation about provoking disputes in the

present state of the labor market, explain in no small measure the relatively few and relatively slight reductions in wage-rates that have been made in American industries since the peak of high wages and high prices about 1920. The moral effect of unionism has extended considerably beyond its own borders. And the tendency of wage-adjustments in any case to lag behind price-changes has this time favored the workers. Whether labor has produced more or not in the last seventy-five years, it has been getting more nearly what it produced.

There were reasons aside from and beyond the increase of capital with its manifold blessings, and aside from the better organization of labor, why the financial condition of the workers improved, particularly after 1850. The secret is found in the fact that the average wages paid in the United States are still more than double those paid in Great Britain, the next highest country in the scale, and four or five times as high as those in Italy.[1] The cause of this fortunate condition has not been relative abundance of capital, for it is only of late that we have aspired to be the financial center of the world, but, rather, *abundance of natural resources.* The alternative opportunities which the existence of immense areas of fertile, free land opened up to the lower middle class and even to the workers, throughout the greater part of the nineteenth century, and the great stimulus which it gave to enterprise, put labor at a premium and made wages higher than they had ever been anywhere in the course of history. Try as we might, we could not keep all of this good fortune to ourselves. It was reflected in somewhat easier and better conditions of life and labor in all the countries with which we have had commercial intercourse. The migration of labor has never been great enough to equalize wages, and its influence in that direction, at least in relieving congestion abroad, is doubtful; but foreign populations have gained and foreign labor has obtained higher real wages because of the cheaper food supply

[1] *International Labour Review* (London and Geneva), vol. x (1924), pp. 630-652; vol. xii (1925), pp. 96-103, 467-473. Federal Reserve Agent at New York, *Monthly Bulletin,* January 1, 1925, p. 6. Cf. also, Massachusetts Bureau of Statistics, *Forty-first Annual Report on the Statistics of Labor,* part iii (Boston, 1911), pp. 198, 203, 226-229.

and raw materials which America has furnished. The settlement of Canada, Australia, South Africa, and other new and undeveloped regions had the same liberalizing effect.

This was a factor all through the nineteenth century and before that; but because the richest areas were most remote from Europe, and because capital and enterprise had still to do their share in the way of improved ocean and inland transportation; in part, also, because the British Corn Laws were not repealed until 1846, the full effect of this great bonanza was not visible until the second half of the century. The fertile agricultural lands of the Middle West and the rich mineral resources of the Far West were then being tapped. Labor was demanded as never before, and it was rewarded as never before. The very abundance of land and the eagerness to get possession of it for the sake of speculative future gains, quite as much as for immediate returns, for a long time prevented land-rent from absorbing a large share of our national income.[1] The lion's share of our huge annual product has gone to labor and capital and enterprise. Oil and coal lands, and the recent development of "giant power," are helping to continue the process of "cashing in" on our rich resources.

Yet the supply of free lands that are worth anything is practically exhausted, even though in an economic sense the frontier still remains large. The law of diminishing returns is bound to operate. As population grows, and especially if immigrants are again allowed to come as they were coming prior to the European War, the pressure upon resources will be more and more apparent. More labor and capital will be necessary to produce the same results. The new recruit, instead of increasing profit and wealth more rapidly than he adds to population and the demand for goods, will lower the margin and depress wages. Land will inevitably claim a larger share of the product for rent, as it comes to have a larger element of scarcity value. The change has, in fact, already set in. The failure of wages, even when rising, to rise as rapidly as the physical volume of production (28 per cent as

[1] Cf. King, *op. cit.*, p. 160, *et seq.*, for estimated proportions.

compared with 52 per cent from 1899 to 1924, according to Professor Douglas' figures) must mean that a smaller proportion of this joint product is assignable to labor, while a larger proportion is going to other factors—a considerable slice, no doubt, to the middlemen for the high cost of distribution, but also a larger slice than before to rents and the cost of fuel and raw materials.[1]

4. DO WAGES COMPENSATE?

The weakness of the laborer in bargaining naturally affects all phases of his working life. One of the odious comparisons which radicals have sometimes made between slavery and the wage-system (to the advantage of the former) is that, whereas the master of the slave, because of the capital embodied in him, was bound to have some concern for his welfare, not only while he was at work but during slack seasons, the "wage-slave" is cast off and must shift for himself as soon as his work is done. Theoretically, however, as Adam Smith pointed out, "the wages of labor in different occupations will vary with the *constancy or inconstancy of employment.*" The wages of the bricklayer or mason must be sufficient not only to maintain him while he is idle, but to "make him some compensation for those anxious and desponding moments which the thought of so precarious a situation must sometimes occasion." [2] If employers in an irregular trade or a community where such a trade is carried on wish to hold men in the trade and in the vicinity so that they may be available when needed, they must pay them an average wage that will approximate that paid in other trades involving equal skill and difficulty but offering more regular employment.

There can be no doubt of this tendency. When the occupation is skilled; when engaging in any other work during slack seasons is generally considered beneath the dignity of the trade or likely to injure "the touch" or *finesse;* and when the irregularity of employment is clearly foreseen and more or less tradi-

[1] Cf. Soule, George, "The Productivity Factor in Wage Determination," *American Economic Review,* vol. xiii (1923), *Supplement,* pp. 129-140; Douglas, *American Economic Review, Supplement,* March, 1926, p. 43.

[2] *Wealth of Nations,* (6th ed.), vol. i, pp. 157-158.

tional, then wages do tend to make up for unemployment. Whether the worker will lay by part of his higher wages against the dull season, or will follow the other policy of spending freely when times are good, and of being compelled during the off season to borrow against future income, is another question. Members of the building trades get somewhat higher wages in the North than in the South; [1] and the pay of cloak-workers and some others in the clothing trades undoubtedly makes some allowance for the seasonal character of the industry.

But when the work is unskilled and when there is a relative abundance of unskilled labor, the employer cares little about retaining the same men from one busy period to another, being confident when he pays them off that he can get these, or others just as good, at his beck and call. The most grievous kind of unemployment is of the casual or the cyclical variety, which cannot be anticipated or standardized. The effect of such unemployment is greatly to increase the intensity of competition for jobs, and to make the workers timid and subservient in their attitude toward the employer. Thus they may suffer not only irregularity but a reduction of wage-rates, and lose a considerable part of the gains of past conflicts. The London dockers, and longshoremen everywhere, are subject to great irregularity, and, at least until unionism came to their aid, were notoriously underpaid and at the mercy of the companies.[2] Even in trades where unemployment is of a seasonal character, only a minority of the trade may be affected by it, and the increase in wages may be too slight to compensate those who are unemployed.[3] The whole situation is too complex to give assurance that wages will themselves provide unemployment insurance.

Do wages, in the next place, include an element of *insurance* for the *risks* of industry? Theory, again dating back to Adam

[1] Cf. *Union Scale of Wages and Hours of Labor,* May 15, 1923, (United States Bureau of Labor Statistics, *Bulletin* no. 354 (Washington, 1924)), p. 25, *et seq.* Comparative strength of organization is also a factor.

[2] Cf. Webb, *Industrial Democracy* (1902 ed.), p. 433 *et seq.*

[3] Cf. Webb in *Seasonal Trades* (London, 1912), p. 49, *et seq.* Cf. also Beveridge, *Unemployment,* pp. 35-37.

Smith, declares that where an employment is especially hard, dirty, or disagreeable, or if it subjects the worker to danger of disease and accident, not only will the ranks of those already engaged in it be decimated, but new recruits will be deterred from entering it. Employers in such a trade will therefore be compelled to add to its attractiveness by paying higher wages.

But the same condition of relative redundancy of the low-skilled labor required for operating machines, and the same advantages in bargaining power which have made the unregulated employer negligent of the health and safety of his employees, also make it unnecessary for him to pay high wages, even though the hours be long, the pace swift, the materials unhealthful to handle, and the whole environment and process dangerous in the extreme. In fact, low wages, especially low piece-wages, have been used quite as commonly, if not as effectually, to stimulate workers in some trades, as a premium or bonus system has been used in others.[1] Instead of long hours leading to higher wages, and a reduction of hours to lower wages (as the opponents of laws affecting hours have contended), the opposite seems to be true within all reasonable limits. Certainly, it is the belief of the workers themselves that "irregular or unlimited hours have an insidious influence upon wages," that piece-work rates are gradually lowered "so as to yield, on the longer hours, a weekly income corresponding to the standard of expenditure to which the class is accustomed." [2] The lowest-paid trades, other things being equal, are also those which have the longest working-day; and, "as a rule, the effect of each limitation of the hours of labor has been to raise wages, though for a while they may have fallen a little." [3]

There are, to be sure, limits beyond which the increased efficiency of labor would not enable an employer to pay higher

[1] Cf. *supra*, p. 86.

[2] Webb, *Industrial Democracy*, pp. 330-333. Cf. Rae, *Eight Hours for Work* (London, 1894), chap. vi.

[3] Wood, G. H., "Factory Legislation Considered with Reference to the Wages, etc., of Operatives," *Journal of the Royal Statistical Society*, vol. lxv (1912), p. 313, given in Goldmark, *Fatigue and Efficiency*, part ii, p. 400, along with much other testimony to the same effect.

wages or even the same wages for a shorter working-day. But the relation of hours of labor to the standard of living, and to the spirit of independence among the workers, both as cause and effect, is so apparent that it cannot be denied.

To suppose that the average worker will first carefully investigate and weigh the extent of danger which he will incur in a certain trade, and will refuse to work at it unless assured of a wage adequate to cover the risk, is nothing short of ridiculous. In many cases he is not admitted to the workplace nor informed of the exact nature of his duties until after he is taken on. Even the insurance companies have been unable to work out more than a rough approximation of the relative hazards of different trades. The man may have heard from his fellows that a given occupation is unhealthful or dangerous, but he is apt to assume that he is lucky and can disregard harmful conditions; danger may attract rather than repel. The necessities of his situation may not permit him to hold back. At most, a very slight premium above average wages for the same grade of labor is sufficient to secure for an employer in a dangerous trade all the workers he needs.

High wages are, indeed, paid to structural iron workers, engineers, painters, hatters, and other craftsmen in dangerous trades; but this is more largely the result of skill required and the strength of organization than of risk involved. Part of this kill consists in keeping out of danger. In many of the dangerous trades the employees receive comparatively low wages, and, in the absence of legal requirement, usually have these still further curtailed by the loss of wages during sickness and disability. Dr. Andrews found in an investigation of fifteen match factories in the United States in 1909 that, although a large proportion of the workers were subjected to phosphrous fumes, the companies, by depending principally upon foreign, female, and child labor, did not have to pay high wages in order to secure an adequate working force. Over 23 per cent of the male employees and 53.75 per cent of the female employees whose wages were ascertained were receiving less than $6 per week; whereas only about one-third of the men and 4.47 per cent of the women earned $10 or over

per week.[1] That risk of lead-poisoning is not automatically compensated for is shown by the low pay and inferior conditions accorded to the unorganized women employed in white-ware potteries, as compared with those of the men who are well organized. In fact, here and in the art and utility ware potteries and tile works of the Zanesville district in Ohio, the low wages paid and the resultant poverty are important contributory causes of lead-poisoning. In the latter class of potteries many of the employees, although native Americans, are young, "some of them mere lads," and, together with the married women, are especially susceptible to injury from the lead. The wages paid here in 1910-11 ran from 85 cents to $1.65 per day![2]

Accidents, we have said, are more apparent and spectacular than disease; but they are scarcely more carefully considered in the determination of wages. In 62 per cent of the cases of fatal industrial accidents reported by the New York Department of Labor in 1910, the earnings of the victim had been less than $15 per week; and in 58.1 per cent of the cases studied by the New York Employers' Liability Commission wages were less than $16.[3] More than half of the men killed in work-accidents in Pittsburgh in 1906-07 had earned less than $15 per week.[4] What wonder that the compensation for accidents was so small when the compensation for work was so low!

Coal mining is both a very irregular and a very hazardous occupation, and the hourly or daily rate of wages does make some concessions to these drawbacks. But the average annual income of coal miners has never been much above the subsistence level. The Immigration Commission of 1910 found the average yearly earnings of foreign-born heads of families (the great mass of mine workers) to be $442, "about equal to the income of common, unskilled laborers the coun-

[1] Andrews, "Phosphorus Poisoning" (United States Bureau of Labor Statistics, *Bulletin*, vol. 20 (1910)), p. 48.

[2] Hamilton, *Lead Poisoning in Potteries*, pp. 21, 48-49. Cf. also, Hamilton, *Lead Poisoning in the Smelting and Refining of Lead*, pp. 75-76.

[3] *Report*, 1910, p. 91, etc.

[4] Eastman, *Work-accidents*, pp. 129-130. Cf. Fitch, *Steel Workers*, p. 241, *et seq.*

try over." [1] The average annual earnings of bituminous coal miners in western Pennsylvania (the highest-paid area) for the period of 1913-18, reported to the United States Coal Commission, were $988; and those for Ohio in the same six years averaged $782. The census of 1919 showed an average of $1,318 for Pennsylvania miners (218 days' work), and approximately $1,100 each for those of Ohio, Indiana, and Illinois.[2]

Evidently the iron and steel workers have been expected to make up for their low hourly rates by working long hours. Approximately one-half of those in "productive occupations" at the time of the investigation made by the Commissioner of Labor in 1910 were getting less than 18 cents per hour; and in the blast-furnace department, which is one of the most dangerous, 72.3 per cent were receiving less than that rate. Only about one-fourth of the men in the entire group were getting as much as 25 cents per hour. "The tendency in recent years," the report says, "has been constantly toward the reduction of the number of skilled men employed and the establishment of the general wage on the basis of common, unskilled labor." [3] The higher cost of living in recent years, the restriction of immigration, and the introduction of a shorter work-day in the steel mills are largely responsible for the rate having been raised to about 40 cents per hour. Even so, there would not seem to be much margin for the care of dependents, for medical expenses, or for retirement allowances.

5. "AN AMERICAN STANDARD"

Wages, indeed, far from covering all the contingencies and vicissitudes of life, are often insufficient, when measured by an American standard of living, even for *subsistence*. There are those, it is true, including advocates of a high protective tariff, who have preached the "economy of high wages," and

[1] *Immigrants in Industries*, vol. i, pp. 63-64, 299, *et seq.*

[2] Bloch, Louis, *Coal Miners' Insecurity* (pamphlet) (Russell Sage Foundation (New York, 1922)), pp. 32-37. Cf. Lubin, *Miner's Wages and the Cost of Coal* (New York, 1924), pp. 271-272.

[3] Commissioner of Labor, *Report on Labor Conditions in the Iron and Steel Industry* (Washington, 1911), vol. i, pp. xxxvi-viii, xlii. Cf. United States Bureau of Labor Statistics, *Bulletin* no. 168 (1915), pp. 13-15.

some employers have put this doctrine into practice. It is argued that a well-paid working-class makes a better market for goods. Business depression and unemployment tend to perpetuate themselves because the workers are unable to buy at such times; low wages have the same effect. High wages, it is stated, attract a better class of workmen; they improve the health and efficiency of those employed, relieving their minds of anxiety about their families, and providing better food and home surroundings; they stimulate ambition and they tend to allay discontent and prevent strikes. The Ford Motor Company is a stock example of the success attending such a liberal wage-policy. When it introduced the five-dollar-a-day wage, it was not actuated purely by the philanthropic impulses of the chief stockholders. It was the frankly avowed expectation of the management that the plan would "intensify the interest of our employees in their work, increase the efficiency of the plant, and spread the doctrine of high wages." The advantages in the way of publicity to be derived from such a plan were far from being overlooked. Experience seems to have amply fulfilled these expectations.[1]

What is an American standard of living, and how much does it take to finance such a standard? It is quite generally admitted that the wage of the average man should be at least sufficient to provide for himself and a normal family, consisting of a wife and three children under fourteen years of age.[2] The wife should not be compelled to work for wages outside, but should be enabled, especially in the middle portion of life, to devote her entire time and energy to matters connected with the home. Children should not be early forced to take up industrial tasks that will retard their physical

[1] Ford, *My Life and Work,* pp. 116, 134, 147; Couzens, "Why I Believe in High Wages," *World's Work,* vol. xxxii (1916), p. 83. Cf. also, Gunton, George, *Principles of Social Economics* (New York, 1891), pp. 147-149; Schoenhof, *Economy of High Wages* (New York, 1893), *passim.*

[2] If it is argued, as Miss Rathbone has argued in England and Professor Douglas on this side, that this assumption of a family of five involves a host of hypothetical individuals, it is none the less true that we cannot judge each case separately, and that in order to provide for the existence and support of such a family, we must assign each potential head of a family an adequate income. (Cf. Douglas, *Wages and the Family* (Chicago, 1925.)

development and interfere with their education. The home which the father's income can buy or rent and furnish should afford comfortable, healthful, and decent accommodations. The food which the family is able to have should be wholesome and sufficient in quantity and variety to insure normal growth for the children and to maintain the working efficiency of the parents. Clothing should not only be such as to protect health, but should make some small concessions to individual taste and social demands. Fuel and light are important items which vary with the season and climate. There should be a margin for medical attendance and supplies, and for insurance or saving against a "rainy day." Car-fare (closely related to rent), amusements, education, and reading-matter are all to be regarded as necessary connecting links with the larger world outside the home. Contributions to churches, clubs, trade unions, and charity, taxes, and other "sundries," are not extravagances.[1]

It is true that the accepted statement of the law of wages does not say that wages shall be determined by the *needs* of the workers. But if men are more important than wealth, and if we are to keep the balance between social and economic progress somewhere near even, then any industry or enterprise which, through good times and bad, fails to pay its adult male workers enough to permit them to raise a family in accordance with the requirements mentioned is to be considered a parasite and a source of degradation and degeneration. Any community or nation is better off without such businesses.

Similarly, where women work for wages (as they are doing to an increasing extent previous to marriage), their pay under normal conditions should be adequate to provide for themselves individually all of the bodily and cultural necessities which have been listed for a family. Otherwise their health, efficiency, and morals and the welfare of the community are

[1] Upon the items in a normal standard of living, see: Comish, N. H., *The Standard of Living* (New York, 1924); Streightoff, *Standard of Living*, chaps. v-x; Chapin, *The Standard of Living in New York City* (New York, 1909), pp. 68-198; Nearing, *Financing a Wage-earner's Family* (New York, 1913), p. 44, *et seq.;* Ryan, *A Living Wage* (New York, 1906), chap. vii.

gravely endangered. It is commonly, and perhaps legitimately, assumed that the woman-worker has no dependents. At any rate, she is no more likely to have dependent parents or other relatives than the average man is to have these in addition to his own immediate family. By no means all women who work are wholly dependent upon their wages for a living; more frequently than is the case with men they live at home and are partially supported by the income of their parents or other relatives. Investigation reveals, however, that the number of women working merely for "pin money" has been much exaggerated. They are, at least, not to be taken as typical of the group.[1] The only way to guarantee that the increasing number who are working independently—"the women adrift"—are getting enough to live upon is to see that all women are adequately paid, in so far as the character of their work permits.

Estimates of the actual income necessary for the maintenance of a healthful and decent existence vary, of course, with time and place. The rent item especially changes according to whether the location is semi-rural, urban, or metropolitan; and the fuel allowance varies with the latitude. Any computation as to the cost of food, clothing, and other supplies quickly becomes antiquated in a period of rapidly rising or falling prices such as the last quarter of a century. The war-period was particularly baffling for the statisticians and for the numerous boards assigned the task of making wage-adjustments. But recency is perhaps not an absolute requisite in figures intended to show a persistent condition or tendency. Wage-statistics should, of course, correspond as nearly as possible in date with budget estimates; but once the cost of a fair and adequate budget has been obtained it can with some confidence be corrected by the known change in the price-level, and used repeatedly.

A partial list of the succession of family-budget estimates

[1] Dr. Woolston reports that among 485 women factory workers in New York City, 23 per cent were helped along, 41 per cent were considered self-supporting, and 36 per cent were helping to sustain others. ("Wages in New York," *Survey*, vol. xxxiii (1915), p. 510.) Cf., also, McLean, *Wage-earning Women* (New York, 1910), p. 29, etc.

that have appeared during the past twenty years or more, with the date, authority, and specific applications of each, reads somewhat as follows:

1905-06, Dr. John Ryan, $600, not for large cities.[1]
1909, Dr. Robert Chapin, $800-900, New York City.[2]
1910, Professor Streightoff, $650, "extreme low limit" for Northern cities.[3]
1913, Dr. Scott Nearing, $700-850, according to location.[4]
1915, New York Factory Investigating Commission, $772 (Buffalo), $876 (New York City).[5]
1918, Bureau of Labor Statistics, $1,434.36, actual average expenditures.[6]
1918, Professor W. F. Ogburn for the National War Labor Board, $1,386 ("minimum subsistence"), $1,760 ("minimum comfort").[7]
1920, Labor Bureau, Inc., $2,632.68, New York City, to cover the "health and decency" budget proposed by the United States Bureau of Labor Statistics; 1921, $2,067, Schenectady; 1922, $2,533.82, San Francisco.[8]
1922, Professor Ogburn, $1,300, subsistence minimum for New York or Chicago.[9]
1923, Boston Family Welfare Society, $1,119, minimum.[10]

Correspondingly, the standard set for women and girls dependent upon their own resources in the cities of the United States has been raised from the $8 and $9 per week approved by departments of labor in Ohio and Pennsylvania, and by minimum wage boards in Massachusetts and Minnesota, in 1914 and 1915,[11] first to $12, then by 1919 to $15 or $15.50 (the

[1] Ryan, *A Living Wage,* pp. 147-150.
[2] Chapin, *op. cit.,* pp. 245-246.
[3] Streightoff, *Standard of Living,* p. 162.
[4] Nearing, *op. cit.,* pp. 96-97.
[5] Streightoff in *Fourth Report of New York Factory Investigating Commission,* 1915 (Albany), vol. iv, p. 1625, esp. pp. 1668-1671.
[6] *Monthly Labor Review,* August, 1919, p. 118.
[7] Cf. Ogburn "Movement of the Cost of Living and Wages," *Annals of American Academy,* vol. lxxxi (1919), p. 116.
[8] Fitch, *Causes of Industrial Unrest,* pp. 47-49.
[9] Ogburn, "The Standard-of-living Factor in Wages," *American Economic Review,* vol. xiii (1923) (supplement), pp. 118-128.
[10] Boston *Transcript,* March 21, 1923, p. 6.
[11] Ohio Industrial Commission, *Cost of Living of Working Women in Ohio* (*Report* no. 10) (Columbus, 1915), p. 16, *et seq.;* Pennsylvania Department of Labor and Industry, *Monthly Bulletin,* January, 1915, p. 95; New York

highest actually set by any board in Massachusetts), and, at any rate in the District of Columbia, to $16.50 after prices reached their peak in 1920.[1]

Whether we adopt the lower or the higher of these estimates for men's wages and women's wages, there are all too many indications that the wages actually paid frequently fall much below them. The researches of Booth in London (1889) and of Rowntree in York (1889) showed that about one-third of the people in English cities in the last quarter of the nineteenth century were living in poverty, and that low wages or irregular employment was the most prominent cause of this poverty.[2] Unskilled laborers, we have said, have gained more largely from capitalism than skilled; yet a review of the available statistics, making allowance for unemployment, convinced Robert Hunter that "the wages of unskilled laborers in this country rarely rise above the poverty line." [3]

At the same time that he was fixing a minimum requirement of $650 for adult men, Dr. Streightoff felt compelled to state that probably there were at least 5,000,000 men engaged in industrial pursuits in America who were not getting over $600.[4] The very same year the Immigration Commission said, "It is a striking fact that, of the total number of foreign-born wage-earners, 77.9 per cent were receiving under $600 per year and 43.5 per cent under $400." [5] Such wages would seem to offer little inducement to incur family obligations or to adopt an American standard of living. The low yearly wages of coal miners have already been cited, and the low hourly wage of common labor in the steel mills. Miss Byington thought a daily wage of $2.50 no more than adequate in

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Factory Investigating Commission, *Fourth Report,* 1915, vol. iv., pp. 1592-1593, 1609.

[1] Massachusetts Minimum Wage Commission, *Seventh Annual Report,* 1919 (Boston, 1920), pp. 32, 34-35; *Report of the Division of Minimum Wages,* 1920 (Boston, 1921), p. 15; *Monthly Labor Review,* March, 1921, pp. 9, 109.

[2] Booth, *Life and Labour of the People,* 9 vols., vol. ii (London, 1891), chap. ii, esp. p. 21; Rowntree, *Poverty: a Study of Town Life* (2d ed., London, 1902), chaps. iv-v, esp. pp. 117, 120-121.

[3] Hunter, *Poverty* (1904), pp. 55-56.

[4] Streightoff, *op. cit.,* pp. 67, 162.

[5] Immigration Commission, *Report,* vol. i, p. 408. Cf., also, p. 366, *et seq.*

Homestead in 1907. Yet she found an average wage for unskilled labor in the district of only $1.65 per day.[1] The 40 cents per hour (it dropped as low as 30 cents in the steel mills once since the War) that the common laborer received in 1925, assuming eight hours' work for 300 days in the year, would yield only $960, whereas the latest budget estimates call for $1,100 to $1,300 as a minimum. The 32.7 cents per hour which Mr. Hooper of the Railway Labor Board stated in 1922 to be the wage of maintenance-of-the-way employees on the railroads is computed to yield a maximum wage of about $800.[2]

Wages in women's trades have been even more deplorable. At the time when the New York Factory Investigating Commission declared a weekly wage of from $8.20 to $9 to be necessary for women workers it found that fully one-half of all wage-earners, including both men and women, in confectionery, paper-box and shirt manufacturing, and in mercantile establishments were getting less than $8. One-eighth, indeed, received less than $5; one-third less than $7. Of the women in stores, 54 per cent got less than $7.50 per week, and 25 per cent less than $5.50. The confectionery trade was found to be one of the lowest paid. In New York, 53 per cent of the women-workers in this industry in 1914 earned less than $6, and 21 per cent less than $5.[3] In Massachusetts candy factories in the same year nearly half of the women made less than $5 per week.[4]

As the Massachusetts Minimum Wage Commission has gradually extended its inquiries to different women's occupations it has found many of them to be really parasitic—not paying enough to keep body and soul together. In the millinery trade, for example, as late as 1919, when wages were supposed to be catching up with prices, and when the irreducible minimum was being put at from $12 to $15 per week,

[1] Byington, *Homestead: the Households of a Mill Town* (New York, 1910), pp. 38-40, 138, *et seq.*, 183.

[2] Ogburn, *American Economic Review*, vol. xiii (supplement), p. 125.

[3] New York Factory Investigating Commission, *Report*, 1915, vol. i, pp. 34-36.

[4] Minimum Wage Commission, *Report on Candy Factories* (Boston, 1914), p. 20.

four-fifths of the hand-finishers in the straw-hat branch were getting less than $9; and three-fifths less than $7. The wages in the manufacture of flowers and feathers were "almost incredibly meager," nine-tenths of the girls and women getting less than $9, and nearly one-half less than $5; similarly, in the wholesale and retail branches of the trade.[1] In both the fish-handling and the pickling and preserving branches of the canning industry—an ancient offender in the matter of labor conditions—"the earnings of the majority of the women fell below the minimum subsistence level," over one-half in the fish establishments getting less than $7 per week, and nearly 40 per cent of those in fruit and vegetable establishments.[2]

In like manner the wages of women-workers in Great Britain, notably in confectionery, shirt-making, chain and lace finishing, tobacco manufacture, the paper-box trade, and laundry work, until the trade boards system was applied to them, were pitifully low—often 12 and 13*s* per week in the period from 1906 to 1914.[3] Evidently there has been no hesitation on the part of unregulated industry in taking full advantage of the relative immobility and low bargaining power of women workers.

Some of the consequences of these inadequate wages of both men and women workers—the struggle to make up the deficit, the deterioration, not always apparent but none the less real, in health and vitality, and the effects upon home life and cultural opportunities—will appear in succeeding chapters.

[1] Minimum Wage Commission, *Report on Wages of Women in the Millinery Industry in Massachusetts* (Boston, 1919), pp. 20-26.

[2] Minimum Wage Commission, *Wages of Women Employed in Canning and Preserving Establishments in Massachusetts* (Boston, 1909), pp. 12-15. The Commission has since decreed that $13 shall be the minimum rate for women over eighteen years of age in this industry. (*Monthly Labor Review*, January, 1925, p. 70.)

[3] Cf. Sells, Dorothy, *The British Trade Boards System* (London, 1923), pp. 77-94.

CHAPTER VII

THE CONCENTRATION OF WEALTH

1. "UNEARNED INCOMES"

NEITHER the productivity theory of wages nor any other phase of economic theory, however adroitly and seductively presented, promises ever to be able to allay the discontent that prevails among the workers. It is conceivable that we might convince the average wage-earner that he is, after all, but a comparatively insignificant factor in the complex productive process; that he is probably already receiving the full equivalent of his marginal contribution to the output of the plant; and that the remainder is attributable to the services of land, capital, and enterprise. But the more hopeless and inevitable his position as a wage-earner is made to appear, the more certain he would be to conclude (after the manner of Cairnes in his pessimistic reasoning upon the wages-fund) [1] that the proper course for him and his fellows to pursue is somehow to secure a share in the ownership and income of these other productive agents. He may admit that he is better off in many ways than his forebears, although, with a natural human conceit, he is wont to attribute this chiefly to his own efforts—his greater efficiency and greater bargaining power. But, he asks, why is it that many others are so much better off than he? The contrasts of life have eaten into his soul and inspired him with a bitterness that is not unmixed with envy. However formless and indefinite his dis-

[1] Cf. Cairnes, *Leading Principles of Political Economy* (New York, 1874), p. 285, *et seq.* "I think the considerations adduced show that the first and indispensable step toward any serious amendment of the laborer's lot is that he should be, in one way or other, lifted out of the groove in which he at present works, and placed in a position compatible with his becoming a sharer in equal proportion with others in the general advantages arising from industrial progress." This he thought possible through saving and co-operation.

content, it is rooted in the perception of economic and social inequalities that he does not believe to be founded upon differences of merit and ability.

The device of the "two pictures" appears often in working-class propaganda. On the one hand, wealth and luxury, a Fifth Avenue palace, flowery beds of ease, the pursuit of idle pleasure, often a riotous excess and extravagance that does not seem, however, to be inconsistent with social prestige and preferment. On the other hand, hard, grinding toil from tender childhood to a premature old age; the poverty and squalor of the East Side; uncertainty, worry, sickness, accidents; only such pleasures and social intercourse as the street, the saloon, the "movies," and the cheap dance hall afford. In every walk and relation of life this contrast is forced upon the worker's vision—in the home, in the factory, on the cars and in the streets, in the shops and stores, in politics and the courts, even in the schools and churches. He would be the stupid clod that some have thought him if he did not question why. He sees not only a great inequality of *income* between himself and the rich, but an even greater disparity of *wealth*—a difference in the *source of income*. Small as his wages are, he *works* for them. Others enjoy immensely larger incomes and apparently neither toil nor spin. "Who made these people to rule over us?" If capital and land are such necessary and important agencies, why are they so unevenly distributed? The "big boss" is admittedly an imposing and a clever man, skilled and farsighted in the ways of business. But are his services to the community at all commensurate with the huge profits he sometimes receives?

The concentration of wealth, with the differences in power, prestige, income, and opportunity that flow from it, is the primary cause and basis of all forms of social unrest. It is this alone that gives rise to relatively permanent class lines, and hence to "the class struggle." Human nature is so constituted that it does not seriously object even to toil and hardship, so long as there is no discrimination, so long as there is a fair field and the sense of full and free comradeship. We can bear our trials and temptations, grievous though

they may be, if we know that they are only such as are "common to man." But let special privilege in any form enter, give certain individuals or groups of individuals what appears an unfair advantage in the race of life, and the spell is broken. Each of the others immediately becomes conscious of his burden; his task becomes irksome, and he is ready to join the ranks of the disgruntled and rebellious. The old code of ethics, formed to govern the relations of men living under conditions of status or of comparative equality, is disrupted and thrown aside. A desire for freedom asserts itself, and a sense of injustice supplants the sense of companionship and mutual obligation. Men cease to be co-operators, and become rivals—perhaps enemies. Reformers easily persuade themselves that they are endowed with a mission that excuses much that is violent and underhanded in their conduct. Seguiér, the old Camisard, although his hands were red with the blood of priests, could declare that his soul was "like a garden full of shelter and of fountains."

So it is in modern industrial society. While differing, as already stated, in the degree of their bitterness toward the master-class, and in the extent of change which they believe necessary, all branches of the labor movement are impelled in some measure by dissatisfaction with the present distribution of wealth and power, and are striving to bring about a more equal adjustment. The most reasonable, as also the most charitable, explanation of union methods and practices, as we shall see—cases in which they show most disregard for the rights and interests of employers and for the welfare of the public—is to be found in this sense of inequality, their exaggerated idea of the inexhaustibility of corporate resources and the magnitude of profits, and their efforts, in consequence, to restore the balance and have a share in the spoils.

The socialists are the ones, of course, who have made the most of this complaint, and who have the most far-reaching proposals for its correction. Chiefly for biographical reasons they have been divided upon this subject in most countries into

two schools or factions.[1] But all of them agree that the situation is already bad enough; that the private ownership of land and capital by certain individuals or a class gives them undue power to lord it over the rest of the universe; that there is little evidence that such inequality and such class divisions originated from, or are based upon, inherent differences of ability or of services rendered to society; and that they are perpetuated in large measure by a pernicious system of inheritance and grow by what they feed upon. Their interpretation of the life of the individual—his health, his ability, his morals, and his position and destiny socially and politically—like their interpretation of history, is distinctly economic in its basis; and the chief object for attack is the private control of productive agents by the relatively few.[2]

2. THE DEGREE OF CONCENTRATION

What is the truth regarding these claims? Are matters really so serious as socialists have painted them? Or must we admit the general soundness of their criticisms, even though we may be unable to subscribe to the remedies they propose?

Considering the importance of the subject, there is a surprising lack of definite information regarding the concentration of wealth in modern industrial countries. Governmental bureaus have not made it their business to collect statistics upon the division of property, although they have supplied us with many astounding figures as to the aggregate wealth of the country. We are told, for example, that in 1912 the total wealth of the United States was $187,739,071,090, or some $1,900 for every man, woman, and child in the country; that in 1922, in part due to the rise in the general level of prices, the aggregate was as much as $320,804,000,000, and

[1] Cf. Marx, Karl, *Capital* (Humboldt ed.), pp. 406-407, 487; Bebel, Kautsky, and others in Ensor, *Modern Socialism*, pp. 114, *et seq.*, 185-187; Bernstein, *Evolutionary Socialism* (trans.) (New York, 1909), pp. 40-54; Kautsky, *The Social Revolution* (trans.) (London, 1907), pp. 17-31.

[2] Cf. Shaw, George Bernard, *Socialism and Superior Brains* (London, 1910), esp. pp. 38-39; Hillquit, *Mr. Mallock's "Ability"* (pamphlet) (New York), pp. 17-21; Hughan, Jessie, *American Socialism of the Present Day* (New York, 1912), chap. v.

the per capita $2,918.[1] But there is scant material, indeed, to show how widely diffused or how concentrated the ownership of this wealth really is. Observation, and no doubt personal experience, are enough to convince us that it is unevenly distributed; but there is still much chance for dispute as to the degree of concentration, and yet more as to whether this degree is becoming greater.

Three different criteria have been chiefly relied upon in discussions of wealth-concentration: (1) income-tax statistics; (2) the records of estates probated, and inheritance-tax data; and (3) the distribution of stock-ownership in corporations. The last of these has been principally applied to the question of whether the degree of concentration is increasing or decreasing, and may, perhaps, be left on one side until that question is reached.

The problem of the inequality of wealth or property has often been confused, if not absolutely identified, with that of inequality of *incomes*. The two are, of course, closely related, because wealth is potentially, at least, capital and an important source of income, so that concentration of wealth is likely to be accompanied by concentration of income; and because income, on the other hand, is an important means of accumulating and acquiring wealth. Yet they are far from being the same thing; and the distribution of incomes, even where it can be accurately known, is not a fair index of the distribution of wealth. Incomes in the lower income-groups, as well as in the higher, may be derived in whole or in part from property, and cannot, therefore, be assumed to represent wages or salaries or other earned incomes. And incomes from labor may, as in the cases of many great enterprisers and industrial managers, be as large as or even larger than many other incomes obtained wholly from investments. It was a hazardous and, indeed, an unjustified guess, made some years ago by a leading financial writer, that everyone reporting an income above $50,000 (later raised to $100,000) was presumably a mil-

[1] United States Bureau of the Census, *Wealth, Debt and Taxation*, 1913, vol. i, p. 21; *Statistical Abstract of the United States, 1923* (Washington, 1924), p. 735.

lionaire, and that upon that basis there were 22,696 millionaires in the United States in 1916.[1] The present income-tax laws have, it is true, for administrative and other reasons, attempted to set a certain figure up to which all incomes may be assumed to be "earned"; but no careful person would argue that this is a scientific use of the term, or that it would be otherwise than arbitrary to consider incomes above a certain amount as necessarily "unearned." So far as the present inquiry is concerned, we are compelled to discount rather heavily all evidence and deductions based upon Prussian or other income-tax statistics, and also the efforts of Sir Robert Giffen and others to demonstrate an absolute improvement in the condition of the wage-earners during the past century.[2]

Some aid, if not much comfort, however, can be extracted from income-tax statistics. They do, at least, show a great disparity of incomes, which is worth inquiring into, to see how far it is justified by differences of effort, ability, and service. For example, the simple distribution of income-classes in the United States is shown in the accompanying table based on income-tax returns for 1922. The number of persons in succeeding classes is seen to approximate the shape of an inverted pyramid.[3]

An admittedly somewhat crude analysis of the principal sources of these incomes reveals the fact that income from personal industry constituted about three-fourths (76.20 per cent) of the total reported, while income from property constituted the other fourth (23.08 per cent).[4] Professor Bowley estimates from British revenue reports that in 1913 the proportion of the national income paid for services of all kinds was 62½ per cent, and that paid to property, 37½ per

[1] Price, Theodore H., in *Commerce and Finance* (New York, December 5, 1917), p. 1226. Cf. New York *Times*, December 4, 1917, p. 5.

[2] Cf. Bernstein, *op. cit.*, p. 45, *et seq.*; Simkhovitch, V., *Marxism versus Socialism* (New York, 1913), chap. vii; Giffen, *Essays in Finance* (2d series) (London, 1890), p. 365, *et seq.* Cf., also, Mayo-Smith, *Statistics and Economics*, pp. 437-440, 447-451.

[3] Commissioner of Internal Revenue, *Statistics of Income for 1922* (Washington, 1925), p. 5.

[4] *Ibid.*, p. 8.

Classes	Number of Persons	Per Cent of Total
Under $1,000	402,076	5.92
$ 1,000–$ 2,000	2,471,181	36.41
2,000– 3,000	2,129,898	31.38
3,000– 5,000	1,190,115	17.53
5,000– 10,000	391,373	5.77
10,000– 25,000	151,329	2.23
25,000– 50,000	35,478	0.5227
50,000– 100,000	12,000	0.1768
100,000– 150,000	2,171	0.0330
150,000– 300,000	1,323	0.0195
300,000– 500,000	309	0.0046
500,000– 1,000,000	161	0.0024
1,000,000 and over	67	0.0010
Total	6,787,481	100.00

cent.[1] Hugh Dalton has computed the percentages for Great Britain at 71 for labor and 29 for property.[2] A further observation of the American figures shows, what we might easily have supposed, that there is quite a steady increase in the proportion of income received from property—notably from dividends and from "capital net gain from the sale of assets held for more than two years"—as the size of the income increases. The percentage from property-sources rose, for example, from a "low" of 10.11 for the income class reporting $1,000 to $2,000, to a "high" of 59.48 for the class reporting $500,000 to $1,000,000; and dividends (which economists might have some compunctions about calling a strictly property-income) rose from 1.48 per cent of the total for the $1,000 to $2,000 class, to 45.13 per cent for the $500,000 to $1,000,000 class.[3] The 1922 returns show that there were four men in the country with incomes of $5,000,000 or over. One of these is thought to have had an income of possibly $30,000,000, which, unless he was content with a very low rate on his investments, still deprived him of the distinction of being a

[1] Bowley, A. L., *Change in the Distribution of the National Income*, 1888-1913 (Oxford, 1920), pp. 23-25.

[2] Dalton, *Some Aspects of the Inequality of Incomes in Modern Communities* (London, 1920), pp. 207-208.

[3] *Statistics of Income*, 1922, pp. 8-10.

billionaire. Dividends upon stock apparently were the chief source of income in each of the four cases.[1]

The evidence respecting concentration of wealth furnished by records of *estates* probated or obtained through the enforcement of inheritance taxes is more to the point, although we are warned by Professor Mayo-Smith and others that much property passes by gift, and that many small estates are not probated.[2] The Massachusetts Bureau of Statistics of Labor was again first in the systematic assembling of probate figures, and its report in 1894 has supplied data for some later studies.[3] Dr. Charles B. Spahr published his courageous little book in 1896, drawing his material from the records of the surrogate court in New York for the two years from October, 1892, to September, 1894. By combining this information with that regarding mortgaged property and home-ownership gathered in 1890 by the Census Bureau, Dr. Spahr came to the conclusion that while "less than half of the families in America are propertyless, nevertheless, seven-eighths of the families hold but one-eighth of the national wealth"; and "1 per cent of the families hold more than the remaining ninety-nine."[4]

Dr. Wilford I. King has made an analysis and comparative study of the Massachusetts data, and similar material regarding estates in six counties of Wisconsin for the year 1900. He finds that both sets of figures indicate a high concentration of wealth, and that the results run quite parallel to one another. He notes that in each period in Massachusetts the number of deaths of males over twenty-five years of age greatly exceeded the number of estates probated, and assumes that where no estate was recorded the property was insignificant in value—less than $500. Considering both size of income

[1] Cf. *Wall Street Journal* quoted in *Literary Digest,* vol. lxxxii (September 13, 1924), p. 88.

[2] Mayo-Smith, *op. cit.,* p. 434. Professor Smith also suggests that many of those who are enumerated among propertyless decedents are young men who, if they had lived, would have accumulated property; so that some allowance should be made for age-distribution.

[3] *Twenty-fifth Annual Report of the Bureau of Statistics of Labor* (Boston, 1895), part ii, esp. pp. 294, *et seq.*

[4] Spahr, *The Present Distribution of Wealth in the United States* (2d ed.) (New York, 1896), p. 69; also pp. 55, *et seq.*

and probable source of support, he divides the entire number of decedents in each state into four classes: (1) the poor, comprising the lowest 65 per cent of the population; (2) the lower middle class, including the next 15 per cent; (3) the upper class, composed of the 18 per cent next higher in wealth; and (4) the rich, forming the last 2 per cent. Of these somewhat arbitrarily determined groups, he finds that the poorest two-thirds never have in the aggregate more than 5 or 6 per cent of the total wealth, and that the smaller group of the lower middle class always shows less than 5 per cent of the total wealth. "Thus the poorest four-fifths of the population own scarcely 10 per cent of the total wealth of the land." [1] The upper middle class, having probable incomes from $2,000 to $40,000 and comprising 18 per cent of the population, holds about one-third of the total wealth. But "the richest class, despite the fact that it includes but 2 per cent of the population, possesses the lion's share of the accumulated wealth. More than half—in fact almost three-fifths—of the property is possessed by this fiftieth part of the people." [2] A further narrowing of the wealthy group reveals the fact that *1 per cent of the population owns almost one-half of all estates, and that one-four-hundredth part of the people holds one-fourth of the total wealth.*[3]

The tendency of the popular imagination is probably to overrate the riches of the rich. Many are ready to connive at and encourage such inflated estimates. Also the power and influence of a wealthy man, obtained through the judicious application of his fortune, often give him control of property and business much beyond what he holds absolutely. Cases are not exceptional, therefore, where estates shrink materially upon final appraisal and the payment of inheritance taxes.[4]

[1] King, *Wealth and Income*, p. 80. [2] *Ibid.*, p. 82. [3] *Ibid.*, p. 82.

[4] Colonel Oliver Hazard Payne, for example, was thought at the time of his death in June, 1917, to have an estate of some $90,000,000. The appraisal published in November of the same year gave a value of $32,367,174 (*Commerce and Finance* (New York, December 5, 1917), p. 1225). James J. Hill proved to be worth considerably less than the huge fortune attributed to him during his lifetime, although he was still far from being poor! John S. Kennedy, on the other hand, surprised everyone by leaving an estate aggregating nearly $90,000,000.

Yet enough of these men have died wealthy to bear out the impression that there are several fortunes in the United States that must be reckoned well up in the hundreds of millions; and a class of millionaires more distinctive for their wealth than for their number. The fortunes of the Vanderbilts, the Astors, and the Goulds, of Russell Sage, Harriman, J. P. Morgan, Andrew Carnegie, Hetty Green, Henry Frick, and Frank Munsey have been sufficiently substantial and well authenticated to be in no danger of vanishing into thin air upon painstaking investigation. One seems safe in concluding that, if there are, as Robert Hunter asserts, at the bottom of our social and economic structure—presumably the foundation upon which the whole beautiful edifice rests—between 14 and 20 per cent of the population who are living in poverty,[1] there is also at the top a small class, comprising less than 1 per cent of the population, who own and enjoy more than half of the accumulated wealth and resources of the country.

Yet we have always supposed that there is greater equality in the economic condition of the people in United States than in the older countries of Europe with their heritage of feudalism. So far as the United Kingdom of Great Britain and Ireland is concerned, this is undoubtedly true. Whether as a result of her system of primogeniture, or because she is the oldest capitalist country—probably for both reasons together —Great Britain has a higher degree of wealth-concentration than any other important country. The estimates of Booth and Rowntree, that nearly a third of the people are below the poverty line, have already been cited. From the statistics of the death duties collected during a five-year period (1904-05-08-09), Mr. Chiozza-Money computes that, while on the average 683,000 persons died in the United Kingdom each year, 4,000 of these left about two-thirds of the total value of property passing, and 654,603 died poor or very poor. He finds, therefore, an amazing monopoly of capital.

> It is literally true to say that a mere handful of people owns the nation. It is probably true that a group of about 120,000 people, who with their families form about one-seventieth part of

[1] Hunter, *Poverty*, pp. 59-60.

the population, owns about two-thirds of the entire accumulated wealth of the United Kingdom.[1]

Professor Taussig estimates, somewhat more conservatively perhaps, that only one out of every six adults in Great Britain leaves an estate amounting to as much as £100, and only one out of twenty leaves as much as £1,000.[2] The concentration of land-ownership is especially notable, although no authoritative returns seem to have been obtained since the "New Doomsday Book" published in 1873. That survey showed that there were only 269,547 land-owners in England and Wales, that 147,564 owned 32,383,664 out of a total of 32,862,343 acres, and that slightly more than 2,000 persons owned half of the agricultural land.[3] A computation made by John Bateman in 1883, for the United Kingdom as a whole, showed that 2,500 persons then owned more than half of the total area.[4] The heavy taxation resulting from the war has thrown many of the large estates on the market; but Mr. Lloyd George still thinks that the land question can be made a popular issue.[5]

The situation regarding the existing concentration of wealth in all modern industrial countries is concisely and conservatively stated by Professor Mayo-Smith:

> The statistics undoubtedly establish the fact, which is obvious, that there is a very great inequality in the possession of wealth. The few own great sums; the many have very small sums individually, and even their aggregate does not approach in many cases the aggregate owned by the few.[6]

3. IS CONCENTRATION INCREASING?

As to whether or not this concentration of wealth is increasing, the evidence is less conclusive and the opinions of different writers more conflicting. To prove that such a tendency does exist, it is not necessary to contend, as some

[1] Chiozza-Money, *Riches and Poverty*, 1910, p. 79; also, pp. 58-59.
[2] Taussig, *Principles of Economics*, vol. ii, p. 256.
[3] Slater, Gilbert, in *Report of Land Enquiry Commission*, vol. i, p. lxxxiii.
[4] Cited in Chiozza-Money, *op. cit.*, pp. 82-83.
[5] Cf. Cox, Harold, "Changes in Landownership in England," *Atlantic Monthly*, vol. cxxix (1922), pp. 556-562.
[6] *Statistics and Economics*, p. 455.

have imagined, that as the few grow richer the many must perforce become poorer. It is, indeed, a selfish and short-sighted view which regards the gains of others as inevitably so much lost to ourselves. Under the dynamic conditions of modern capitalism, wealth may be *created* and not merely *acquired.* The new system has so far overcome the law of diminishing returns and increased the efficiency of production that the aggregate wealth of the world to be divided is much greater than before. The question is not, therefore, whether the rich and powerful have criminally robbed their poorer brethren of what they previously possessed, but whether the gains and benefits of the system are being fairly distributed among those who participate in the creation of wealth, and whether the law which governs is not too largely in favor of those who already have abundance—"to him that hath shall be given." If the latter proposition holds, then an increase in inequality, economically and socially, is the logical and inevitable result.

It has been in attempted refutation of this grave charge that so much has been said and written in recent years about the large and increasing number of stockholders in our great corporate enterprises. More than that, such diffusion of ownership, particularly among those parties with which a corporation has most intimate dealings and relationships, has come to be thought of by corporate managers as something so desirable and beneficial withal that it has been adopted and promoted as one of their favorite remedies for public or customer criticism, on the one hand, and for possible labor difficulties, on the other hand.

We are told, for example, that the estimated number of stockholders in American corporations has increased from 4,400,000 in 1900 to 14,400,000 in 1922, or 250 per cent.[1] Robert S. Binkerd reported as the result of a personal inquiry which he made, largely among public service corporations, that the number of stockholders practically doubled between 1918 and 1925. About half of the increase he finds came from em-

[1] Warshow, H. T., "Distribution of Corporate Ownership in the United States," *Quarterly Journal of Economics*, vol. xxxix (1924), p. 16.

ployees and customers, and the rest from the general investing public.[1] An officer of the Bell Telephone Securities Company is glad to call attention to the fact that the American Telephone and Telegraph Company has 348,000 stockholders, and that there are some 630,000 persons owning Bell company securities. There were, in 1925, 62,500 employees who were full-fledged stockholders, and 165,000 others who were acquiring stock by easy payments. It is, in short, "the most popularly owned enterprise in the world." [2] The Consolidated Gas Company of New York, with its affiliated or subsidiary utility corporations, increased the number of its stockholders by 100 per cent between 1922 and 1925, and in the latter year reported that more than 40 per cent of its employees were stockholders.[3] Armour & Co., long known as a closely controlled, family concern, claimed 77,000 stockholders in 1923, and therefore professes to be "a national public service institution." [4] Of similar tenor was the analysis which the *Wall Street Journal* made some years ago of the number of stockholders in seventy-three railroads of the United States and of 10 industrial corporations, and its statement that the average holdings in the railroads at the time were 133 shares and in the 10 industrial corporations 87½ shares per stockholder. Both individually and collectively these corporations showed an increase in the number of stockholders in 1913 as compared with 1901, and a decline in average holdings. "Corporations, in other words, are owned not by the great financier, but by the 100-share men, the owners of $10,000 of stock each." [5]

But all this proves both too little and too much. It really sheds little light upon the question of concentration or upon

[1] Binkerd, "The Increase in Popular Ownership Since the World War," *Proceedings of the Academy of Political Science* (New York, April, 1925), pp. 32-33. Cf. also, Brookings, R. S., *Industrial Ownership* (New York, 1925), *passim*.

[2] Devereaux, F. L., "The Development of the Ownership of the Bell System," *Proceedings of the Academy of Political Science*, pp. 63, 68.

[3] Williams, Arthur, in *Proceedings of the Academy of Political Science*, April, 1925, pp. 7-10.

[4] Leaflet issued by Armour and Company, December 5, 1923.

[5] *Wall Street Journal*, quoted in *Literary Digest*, March 14, 1914, p. 578.

the matter of trend or tendency. In so far as the wider diffusion of corporate holdings is a spontaneous development, it does not necessarily represent newly discovered wealth, but is often rather the transfer of savings or inherited property from one field of investment to another. The advantages of the corporate form of business organization for the participation of persons with small amounts of capital have been long recognized by economists; but they are only coming to be generally understood by the public. The Liberty Bond campaigns of the war-period had a powerful educational influence in this direction. The consequence has been that many people who would formerly have invested in a small business of their own, or in lands and mortgages, or who would, perhaps, have placed their funds on deposit in the bank, have discovered the ease and, with proper precautions, the comparative safety of making investments in the bonds and stocks of corporations. Many of the savings banks and insurance companies have themselves only lately transferred their funds to this field. The eagerness of wealthy people, subject to the high rates and surtaxes of the income-tax laws, to find refuge in tax-exempt securities has facilitated such a transfer.[1] Admitting that there has been an increase in savings in recent years, both by the wage-earners and by the middle class, it will none the less be found that a considerable proportion of what they are putting into corporate investments is being withdrawn or withheld from alternative uses to which they had been previously accustomed. It is known, for example, that the percentage of families in the United States who own their own homes has been steadily declining for twenty years.[2] Furthermore, the same individuals frequently have their stockholdings distributed among corporations, and this tendency has probably grown with the other, so that there is much duplication in the lists; and figures as to the absolute number of stockholders in any one corporation

[1] Cf. Warshow, *op. cit.*, pp. 32-38.

[2] Cf. Hoover, Herbert, "Diffusion of Property Ownership," *Proceedings of Academy of Political Science*, April, 1925, p. 139.

thus become all the more unreliable as an index of concentration.

In so far as the diffusion of ownership has been deliberately fostered, as it has been, for instance, by the United States Steel Corporation, the Standard Oil group, and many public utility corporations, it is not disinterested and not necessarily promotive of the well-being either of labor or of the public. Probably public criticism and regulation of public service corporations have sometimes been too drastic and almost suicidal; so that a more friendly, co-operative attitude may be desirable. But minority participation in ownership by consumers may not help greatly in getting adequate protection for the interests of the general public. Stockholding by employees, encouraged through a system of easy payments, is, of course, nothing more nor less than our old acquaintance, "profit-sharing," and has all the perils which labor leaders and writers have discovered in that device of employers. Its object from the employer's viewpoint is frankly stated by Arthur Williams of the New York Edison Company:

> Every faithful worker an owner of property or "every worker a capitalist" may sound like a very startling and radical theory; but, in my judgment, it is a promising cure for social and industrial discontent, and a counter-weight against the extremely destructive tendencies so evident in many directions . . . bridging the much-too-wide gap between the so-called antagonists, "capital and labor."[1]

But labor is again afraid of losing its mobility and its independence, and has been warned that such diffused ownership "does not assure industrial democracy"—that it is risky to put all one's eggs in one basket when there is little opportunity to watch the basket.[2]

All talk of "average holdings," to be found by dividing the total number of shares by the total number of shareholders,

[1] *Proceedings of the Academy of Political Science*, April, 1925, p. 9.

[2] Cf. President Green, "Ownership No Solution," *American Federationist*, vol. xxxii (1925), pp. 409-411. Cf., also, Soule and Dennison in *Proceedings of Academy of Political Science*, April, 1925, pp. 29, 128.

should be consigned to the joke column, and not put on the financial page. It belongs in the same category with Josh Billings' claim that he and his neighbor had thirty cows "between them." The ownership of a few shares in a corporation does not entitle the holder to an equal voice, nor even to very much influence, in its management. Corporations are not governed along democratic or co-operative lines, where one man has one vote. Voting-power depends rather upon the number of shares held; and a single man or small group of men who hold a majority of the shares can determine the policy of the concern, and practically disregard the wishes and protests of other stockholders, no matter how numerous. Indeed, the more widely scattered the stock is, the more possible it is for a concentrated interest, even though holding much less than a majority, to exercise control. And once obtained, such control is quite easy to perpetuate, and can be used greatly to the advantage of those on the inside. To make security doubly sure and to avoid trouble, stock sold to employees very often does not carry the voting privilege anyhow.

When we turn back to our earlier indices, we find that, while the records of estates probated at different periods in Massachusetts show great inequality, they do not give evidence of a marked tendency toward growing concentration of wealth in the hands of a few. The per capita wealth of all groups increased between 1859-61 and 1889-91, accompanied by an increase in the proportion of large estates.[1] Dr. King thinks, however, that he detects a more rapid increase in the estates of the rich than in those of the poorest, the former almost doubling while the latter increased only by a third. He concludes that the rich have been growing decidedly richer; that the poor, however, are not becoming poorer "but are also gaining in wealth, though relatively at a less rapid pace than the rich."[2] This, it may be added, is substantially Professor Taussig's conclusion, after a review of conditions in Prussia

[1] *Report of the Statistics of Labor*, 1894, p. 295.
[2] King, *Wealth and Income*, p. 84.

and the United States.[1] All acknowledge the scantiness of definite information and the large part that must be assigned to conjecture.

Yet scarcely any fair-minded person will deny that the possession of wealth, however obtained, makes it easier to acquire further wealth; that the wealthy man enjoys an advantage in the economic struggle, analogous to that which in former times the knight clad in shining armor, equipped with sword and lance, and mounted upon a charger, enjoyed in combat with peasants armed only with staves and pikes. The man with capital has at his command not only the source of income which is the sole dependence of propertyless workers, labor and wages; but he has the rent and unearned increment of real estate, interest upon funds lent or invested, and, very likely, a share in the profits of enterprise. If he does not add to his accumulations more rapidly than his less fortunate brother, it must be considered his own fault—an unwillingness, it may be, to apply himself to business, a lack of ability and foresight in making investments, or an extravagant standard of expenditure.

This is far from being a doctrine of fatalism. It need not be supposed that wealth rolls up on itself like snowballs in a January thaw, or that the tendency toward concentration is not subject to checks and counteracting forces. Opportunity has not ceased to knock at the doors of new men of energy and ability. One becomes weary with listening to the wail so constantly set up in socialist writings and voiced at labor meetings. "We are born too late. All the best places at life's table have been preempted by greedy plutocrats. Nothing remains for us but outer darkness and the crumbs from the master's table"; and so on *ad nauseam*. At such times it is refreshing to turn to the self-confident, not to say boastful, optimism of men who have succeeded, and who believe that others can do the same. We are glad to hear Henry Clews declare:

[1] Taussig, *Principles of Economics*, vol. ii, p. 263. "While the rich are probably growing richer and certainly not less rich, the poor are not becoming poorer."

It does not require great genius to make money. The accumulation of money is, after all, an easy matter. It does not require education, breeding, or gentle manners, and perhaps even less than people imagine has luck anything to do with it. Any man or woman may become wealthy, if he or she begins aright. The opportunities for gathering the nimble dollar are very numerous in this country.[1]

Charles M. Schwab's injunction to "think beyond your job" and his positiveness that opportunities are just as abundant as they ever were certainly appeal strongly to the man with ambition and with fighting blood in his veins.[2]

It is much truer than many "slackers" who are "counting their hours and kicking about their salaries" are inclined to believe. It is well for the individual to realize that the burden of proof for making something of himself in the world rests upon him. There are too many examples of poor boys who have made fortunes, to warrant denial that such success is any longer possible. The examples demonstrate, rather, that those who already have wealth do not have a monopoly of business ability, and that it is still possible for ability of this sort (at least if it is great enough), however humble its beginnings, to break through all obstacles and to win the coveted prize. Whether this form of ability and the methods which it often uses in climbing are always the ones that we most need to encourage and foster may be another question. This much, however, should be recognized and should be emphasized for the benefit of critics from the labor school—that the profits of business enterprise, huge though they may be, are often richly deserved. When a man exercises foresight and judgment in anticipating and providing for a public need, when he is willing to take risks from which the public as well as himself may benefit, when he devotes himself to the study and selection of the most efficient and economical methods of production, then he is entitled to great rewards. The service he performs is essentially a high order of labor; and his pay, received after all other expenses have been met,

[1] *The Wall Street Point of View* (New York, 1900), p. 44.

[2] Schwab, *Succeeding with What You Have* (New York, 1917), *passim*.

may be styled the wages of enterprise. "Honor to whom honor is due, and tribute to whom tribute."

There are, too, circumstances which seem to favor the rise of the small man or the newcomer in business. Savings banks and trust companies are at hand to encourage him to accumulate. The low denominations of corporate stock and the increasing number of "baby bonds," as already stated, entice him to participate in great enterprises, and perhaps to share in the benefits of a high order of managing ability. Bagehot and Conrad have dwelt optimistically upon the ease with which modern credit facilities enable men of little capital to get a start, and spring into competition with old establishments which have perhaps become too conservative. "New men are created by bank discounts;" [1] and by this means we can avoid "the separation of capital and labor which excites so much bad feeling and which forebodes danger to modern civilization." [2] Not a little, in fact, has been written upon the *advantages of being born poor*. The man who has perhaps gone into debt, as already indicated, for his stock in trade is less likely to be handicapped by extravagant tastes and rival interests. He has every incentive to devote himself strictly to his task and to economize in every possible way in order to pay his debts and to extend his business. He is not wedded to antiquated methods and his operations are not so large but that he can give his personal attention to details. The small undertaking developed upon an intensive plan may thus be more successful in some fields than large-scale enterprises which involve so much delegation of authority and diffusion of responsibility.

Not all fortunes, however, can claim to be derived from services rendered in this manner. If there are profits attributable to personal effort and zeal in providing for the public what it wants, there may be also gains due to chance or luck; others obtained by deceit, adulteration, manipulation, and other unfair methods; and yet others founded on monopoly

[1] Bagehot, *Lombard Street* (New York, 1874), pp. 8-10.

[2] Conrad quoted in Golieb and Ettinger, *Credits and Collections* (New York, 1917), pp. 7-8.

power. Miss Youngman concludes her excellent analysis of the sources of great fortunes with the significant statement that "there is no way of establishing a determinate relation between reward and personal ability, or reward and social service."[1] It has been possible for men to grow wealthy without possessing ability other than monumental acquisitiveness. Not by any means is every great aggregation of wealth to be regarded as a monument to the faithful and painstaking service which its owner has rendered to society. What proportion, in any particular case, is of the one origin and character, and what proportion of the other, may furnish a lively subject for debate until the Judgment Day.

Especially in the winning of this second class of gains, where personal service and ability count for the least, are the dice heavily loaded in favor of the man who already has abundant means. That mathematically minded young man at Monte Carlo who figured that, according to the law of chance, he should win as often as he lost found that his funds were exhausted before the swing of fortune came his way. So it is with the small business man; he may have eagerness and ability, but his resources are frequently so limited that he cannot play the game through. Indeed, his ability to borrow capital and to emancipate himself from his low estate is likely to be much exaggerated. Probably this is easier in commercial undertakings where the assets are largely quick, and only short-term credit is required, than in industrial enterprises where fully half of the capital may be embodied in fixed and specialized forms and cannot be promptly realized upon.[2] Yet it is doubtful whether the persistence of the small and isolated retail establishment is not due to the blindness and indifference of the average consumer, rather than to any real economies it effects, or services it performs. The proportion of failures in this field is very high, and the figures given by Bradstreet's indicate that year after year more than a third of

[1] Youngman, *Economic Causes of Great Fortunes* (New York, 1909), p. 179.

[2] The leasing of machinery upon a royalty basis as by the United Shoe Machinery Company appears to have somewhat decreased the initial capital required in certain branches of industry also.

these are attributable to "lack of capital." [1] The man with little financial backing must buy on credit, just as he probably sells on credit. He cannot take advantage of cash bargains, nor always avail himself of the liberal discounts for prompt payment which his stronger competitor obtains. For the credit he receives from the jobber or wholesaler he thus pays a very high rate of interest, averaging between 12 and 18 per cent in most businesses; and 72 per cent has not been unknown in the jewelry trade. His very lack of property to give as security, and his absence of credit-standing, place him at a disadvantage in getting loans at much lower rates from the banks.[2] Credit rests very largely upon the possession of capital.

The rôle of credit in the financing of industry is admittedly large, and the banker or syndicate of bankers which underwrites the securities of a corporation whose soundness it has investigated performs an important service both to the corporation and to the investing public. But whether or not we believe that there is or has been in any literal sense a "Money Trust," it is certain that bank credit has tended in the past to favor established businesses, and that the banks have sometimes been able to enforce pawnbroker's terms upon new and needy enterprises that have applied to them for assistance. Allowing that it is a relatively high order of ability that can infallibly discern the merits of a proposition before it has been tried, and that the risk involved entitles the banker to a voice in the working out of the new idea and a share in the profits, nevertheless the commissions charged and the degree of control secured seem exorbitant. Few would say that the commission of $10,000,000 in common stock charged by Judge Moore for organizing and underwriting the Tin-plate Trust, or the $62,500,000 exacted by the Morgan syndicate for the formation of the Steel Trust, were limited to a just compensation for services rendered. The community of stock-ownership among banks and trust companies, interlocking

[1] Babson, *Business Barometers* (Wellesley Hills, 1917), pp. 250-251.

[2] Cf. Hagerty, *Mercantile Credit* (New York, 1913), pp. 63-65; Clark, Fred, *Principles of Marketing* (New York, 1922), pp. 342-344.

directorates, which are the outward manifestation of the same thing; the offensive and defensive alliances and affiliations which groups of bankers are known to have among themselves and with insurance companies, railroads, and industrial corporations—these are enough to make it difficult, if not impossible, for a man or group of men with a new enterprise, likely to come into competition with some one of the pets or subsidiaries of this financial oligarchy, to get a fair hearing and a square deal. Of course, the banks must "protect themselves." Incidentally, they "strike at the very vitals of potential competition" and have the power to "chill and check and destroy economic freedom." [1]

The control of ready money, that of others entrusted to their care as well as their own, has time and again enabled wealthy men to take advantage of the distresses of those not so situated.

One of the facts that stand out most prominently to a person who is making a developmental study of large fortunes is the increase in the amount and extent of investments which take place just at those times when the community at large is suffering from acute financial depression.[2]

John Jacob Astor greatly increased his holdings of real estate during the War of 1812 and the panic of 1837, through the ruthless foreclosure of mortgages.[3] J. P. Morgan played the Good Samaritan, not only to the government but to several bankrupt railroads, after the panic of 1893, and added greatly to his wealth and power in the process.[4] The crisis of 1907 offered another opportunity to take advantage of sacrifice sales, and it was at this time that the Tennessee Coal and Iron Company came under the control of the Steel Trust.[5]

[1] President Wilson when Governor of New Jersey. Cf. Brandeis, *Other People's Money* (New York, 1914); *Report of the Pujo Committee, Money Trust Investigation,* House Report no. 1593, 62d Cong., 3d Sess. (Washington, 1913), esp. chap. iii. The Federal Reserve System and the prohibition of interlocking directorates were intended to diminish this evil.

[2] Youngman, *Economic Causes of Great Fortunes,* p. 158.

[3] Youngman, *op. cit.,* p. 45, *et seq.*

[4] Hovey, *The Life Story of J. Pierpont Morgan* (New York, 1912), chaps. vi-viii; Youngman, *op. cit.,* p. 116, *et seq.*

[5] Hovey, *op. cit.,* chap. xiv, esp. p. 301, *et seq.*

The holding company, voting-trusts, and "abstract property" in general have proved useful devices, both for control through a minimum of ownership, and for taking advantage of the unwary or uninformed investor. Jay Gould was a master in the manipulation of the stocks of corporations in which he was interested, even to the sacrifice of his own partners.[1] In the marketing of new securities which they have themselves voted to issue over the heads of minority stockholders, and in contracts for construction and other forms of expenditure, it has frequently been possible for those in control of a corporation to make great gains for themselves at the sacrifice of economical and efficient management of the enterprise. The Credit Mobilier in its relation to the Union Pacific is an ancient example; and the more recent vicissitudes of the New Haven and Boston and Maine had a similar origin —control for financial rather than railroad purposes.[2] "The abuse of greatness is when it disjoins remorse from power."

Nowhere is property itself more obviously nor more deeply tainted with privilege than in the control of natural resources. The increased importance of the land factor in modern commerce and industry has several times been referred to. The ownership of agricultural land in the United States is so widely distributed, and the increases in value have usually been so slow, that the land-reformers are inclined to be lenient with that class. But the case of urban land is quite different. Where land-values multiply twelve times in forty years, as they have in some periods in New York City, or 150 times, as in Berlin[3]—not to mention Florida resorts—the chances that large fortunes will come into the hands of the effortless and undeserving few are very great.

More than all, however, a large proportion of the great fortunes in the United States have at some stage of their accumulation been heavily indebted to the control of still

[1] Cf. Youngman, *op. cit.*, chap. iii. Myers, *History of Great American Fortunes* (Chicago, 1910), 3 vols., vol. ii, chaps. x-xi.

[2] Fiske, *Honest Business*, p. 121.

[3] Cf. Watkins, G. P., *Growth of Large Fortunes* (*American Economic Association Publications*, vol. viii, 1907), p. 73; Scheftel, *The Taxation of Land Values* (Boston, 1916), p. 360.

other natural resources, even more limited in supply and peculiarly in demand by modern industry—mineral and oil deposits, water-power, and timber lands. Through undue haste for development; because of inadequate surveys and improper classifications by the public land office—title being given to all kinds of lands from heaven above to hell beneath; by reckless land grants to railways and other corporate enterprises; through fraud, railroad-rate discriminations and other forms of duress, the people of the United States lost or gave away a large part of their rich heritage, and are destined to pay heavily for their prodigality. The conquering heroes who have seized the power and opportunities thus rashly surrendered to them—the oil group, the steel magnates, the coal barons, the lumber kings, the copper companies, and the hydroelectric people—now hold in their keeping the essentials —the very keys—of our industrial life and progress; and the growth of their wealth, even without the conscious exercise of monopoly power, is conditioned only by the growth of the country in manufacturing and trade.[1]

If, however, we say that the Lord is on the side of the heaviest money bags, someone will recall the old adage about "three generations between shirt-sleeves and shirt-sleeves." Poor business management, prodigality and dissipation, or unrestrained philanthropic impulses may scatter abroad what a previous generation has gathered together.

There is, in the first place, no discoverable regularity about such redistribution of wealth. However it may have been in the days of individual enterprise and the family system of industrial management, there is much now to prevent its occurrence. The standard of what constitutes a great fortune, at least in the United States, has risen so rapidly, and a life

[1] The high degree of concentration in the control of these limited natural resources was fully brought out some years ago in the reports of the Commissioner of Corporations. Cf. *Report on the Steel Industry*, part i (Washington, 1911), pp. 58-60; *Petroleum Industry*, part i (Washington, 1907), pp. 9, 14, 15, etc.; Federal Trade Commission, *Summary and Conclusions on Pipe-line Transportation of Petroleum* (Washington, 1916), pp. iv-vi; Commissioner of Corporations, *Report on Water Power Development in the United States* (1912), pp. 7-16; *Lumber Industry* (Washington, 1913), part i, p. xx.

of absolute leisure is apparently so incompatible with the American temperament, that not only do older men remain in harness long after they have won a competence, but not a few of the sons of the rich choose to devote themselves actively to the conduct of business and the increase of the fortunes which they inherit. Furthermore, the whole machinery which has been developed for investing and conserving property—trustees, agents, lawyers, brokerage firms, and banks, not to mention the advantages of the corporate form itself in this respect—serves not only to perpetuate estates from generation to generation, but to cause them to increase almost mechanically. If the rich do not themselves have ability, they can *hire it*.

No socially minded person, either, would argue that the wrecking of a business by the heedlessness or incompetence of the heirs is anything but a calamity; or that extravagance and dissipation are other than a waste of both life and wealth. Even philanthropy, if it is to do more good than harm, involves as much judgment and care as did the making of the fortune in the beginning.

CHAPTER VIII

OPPORTUNITY

1. "THE TWO NATIONS"

THE labor problem is far from being wholly an affair of the physical being. If undue emphasis is sometimes placed upon material signs and rewards, it is because of the very narrowness and poverty of the lives of workers, and because they realize how much these things react upon and determine the intellectual, the moral, and the spiritual. Ordway Tead and Whiting Williams have pointed out most clearly that even jobs themselves are not rated purely upon the basis of what they pay, or upon other immediately tangible considera-ations, but often according to the chances they offer for expression—the display of skill or prowess, and the satisfaction of those other cravings which are the common heritage of all human beings.[1] As a group, the workers have, indeed, offered a hospitable soil for numerous reform proposals of the most idealistic and far-reaching sort. "To begin a reform," says Balthasar, the Egyptian, in *Ben Hur*, "go not to the places of the great and rich; go rather to those whose cups of happiness are empty—the poor and humble." And early Christianity was no exception to the rule.

Scarcely anyone who has had intimate experience with the failings and deficiencies of his fellows will longer assert the essential and fundamental equality of all human beings. Such phrases may be all proper enough in the Declaration of Independence and in the teachings of religion, but no practical man could subscribe to them. Probably, we are all prone to underestimate the value of traits and talents which we do

[1] Cf. Tead, Ordway, *Instincts in Industry* (Boston, 1918); Williams, Whiting, *Mainsprings of Men* (New York, 1925), esp. chaps. iv and vii.

not ourselves possess, and to confuse differences of kind with differences of degree. The eugenists, however, appear to be right in assuming that there are inherent differences of mental and moral endowment, just as there are obvious variations in physical strength and stature; and they are right, too, in contending that it is the duty of society, and for its best interests, to foster those who are most gifted and serviceable, while discouraging if not absolutely preventing the propagation of the unfit and the less fit.

But who are the most fit? What facilities do our present social and economic arrangements afford for the prompt discovery of the relative powers and respective abilities of different individuals, and for encouraging the development of each in the direction where nature points the way? It may be conceded that real genius—those "gems of purest ray serene," the Miltons, Hampdens, and Cromwells—will ordinarily break through and declare itself even under the most untoward conditions. But what guarantee have we against the suppression or the misapplication of those less striking talents of whose services society also stands greatly in need? The ideal social organization is not one which is content to produce merely a flower of aristocracy at the top, however beautiful, intellectual, and refined that aristocracy may be. It is rather one whose institutions permit and encourage in each and every citizen the fullest development and self-realization consistent with the interests of the group.[1] That alone is true democracy.

After all, the closer and more unprejudiced study of anthropology, ethnology, and psychology shows us that the seeming disparity between primitive man and the modern man, between the savage and the civilized man, between the dark races and the white race, and not less between different individuals of the same age and race and nation, is a matter of mental *content* even more than it is one of mental *capacity*. And the content of people's minds is chiefly the result of their physical and social environment from the beginning, a ques-

[1] Cf. Giddings, *Descriptive and Historical Sociology* (New York, 1906), p. 541.

tion of the extent to which they have or have not been permitted to enter up and absorb into their lives and characters a rich social heritage. We have no right to assert inequality of ability until we can show that there has been equality of opportunity—that each competitor has been given a fair start in the race and a chance to show what he is good for.

Granting that there is great and increasing inequality of wealth, and that the acquisition and possession of wealth is no longer, if it ever was, a fair index of real worth and ability, it is difficult to believe that modern society offers even a remote approximation to equality of opportunity. Legislation and regulation may already have done much to even up the scales in behalf of those less fortunate; but great differences of environment and opportunity remain. If wealth has great power to aid in production and in amassing further wealth, it has even greater power in the realm of consumption. The distribution of wealth in a country not only fixes the control of its industrial affairs, but also largely affects and determines all social and political relationships among its people. Social conditions can no more be separated from economic conditions than the mind can be divorced from the body.

The advantages, it is true, are not all on the side of the well-to-do. Human nature shows wonderful power to respond and to adapt itself to different circumstances. Difficulties, when not too great, have power to develop and improve the fiber of the man who struggles against them and finally overcomes. It may well be thought that many of the workers fail to take advantage of the opportunities they now have, that they are shiftless and lack the spark of ambition, that their standards of living are too low and their families too large. Whining and whimpering over the hardness of fate are distasteful to our democratic sensibilities. Work itself in proper amounts and under right conditions is one of the greatest blessings and joys of life. When it enlists a man's interest and absorbs his whole being it is probably the great-

est single factor making for a clean, healthy, happy, normal life.

But we have only to recall that many of the grievances and complaints of the workers regarding unemployment, hours, speed, monotony, sanitation, safety, and wages have proved to be justified by the facts, to see that it is both foolish and unfair to apply to different economic classes today the same standards as to physical development, intellectual attainments, and moral excellence. They move in different spheres. Hardly a single feature of their whole life's course from the cradle to the grave is the same. We must make allowances for the indirect as well as the direct effects of economic dependence.

2. The Physical Handicap

The general review of the physical manhood of the country made during the World War brought some shocking revelations. When from one-fourth to three-fourths of the young men subject to the first draft in different communities were rejected or given a deferred classification because of physical disabilities and preventable diseases, and when most of those accepted had to undergo long periods of systematic training and exercise to put them in proper shape for the business of warfare (many of them testified that they had never felt so well before in their lives), it showed that something was radically wrong.[1] What would have been the future of our people if the war had proved a long one for us as it was for the European countries, and if the majority of these picked men had not come back?

The causes for this state of affairs are not far to seek. Ignorance of the laws of health and indifference to them on the part of parents and young people are undoubtedly much to blame. But the results of economic pressure and of overstrain in highly specialized occupations should not escape attention.[2] The high morbidity and mortality rates among

[1] Ireland, Love, and Davenport, *Defects Found in Drafted Men* (War Department, Washington, 1920), pp. 27-30, 73, *et seq.*

[2] Dr. Dudley A. Sargent of Harvard University gives as the principal reasons for these shocking conditions: feeble inheritance and constitutional inability

the poor, and in many machine trades previously cited, is ample indication of where part of the responsibility lies.

Ignoring, as our vital statistics largely do, many stillbirths attributable in no small degree to economic causes, we are told that the children of the poor are born in practically as good health as the children of the well-to-do.[1] It seems to be one of the beneficent arrangements of nature to give the child at birth a certain degree of vigor and vitality whatever the station and physical condition of the parents. Nature herself seeks to avoid, as far as possible, inflicting the misfortunes and sins of the parents upon the children. The blighting effects of poverty begin, however, immediately after birth. Bad housing, inadequate clothing, hunger due to insufficient or unsuitable food, and often neglect by a mother who must contribute to the support as well as to the care of her family, all bring in their train weakened constitutions, great susceptibility to disease, and a heart-rending infant mortality. The very ignorance of many working-class mothers as to the proper care of children, may be attributed in large measure to industrial or commercial employment prior to marriage, and the consequent absence of an apprenticeship in the duties of the home. The Children's Bureau has found a close correlation between low earnings upon the part of fathers, the employment of mothers during pregnancy and during the first year of the infant's life, and the rate of infant mortality. The low earnings of the father are "the primary factor in causing the mother to seek employment away from home"; and "the mortality rate for the infants of mothers who had been employed away from home during pregnancy . . . was 1.8 times the rate for those whose mothers had not been employed."[2] A similar correlation is found to exist be-

to withstand the stimulating American climate; the unsanitary environment, restricted bodily activity, and high nervous tension involved in modern industry; city life, and the absence of proper sanitary arrangements and precautions in country schools and homes. ("Men Fit for Soldiers," New York *Times*, March 9, 1918, p. 14.)

[1] Spargo, *Bitter Cry of the Children* (New York, 1906), pp. 8-9 and appendix C, quoting Dr. Alfred Eichholz.

[2] Woodbury, R. M., *Casual Factors in Infant Mortality* (Children's Bureau, *Publication* no 142 (Washington, 1925)), pp. 131, 158-160.

tween low earnings of the father, housing congestion, and high infant mortality.[1]

Much attention, but not too much, was attracted by the study made in 1917-18 by Dr. Louis I. Harris, since Commissioner of Health in New York City, of the way in which some 2,000 families attempted to accommodate themselves to the rising cost of living. Many moved into smaller quarters, some took in boarders or lodgers, 37 per cent cut the expensive item of meat from their diet, and others made corresponding sacrifices, all of them sure to decrease the physical well-being of the family, if not to undermine its whole structure and efficiency.[2]

Ex-President Roosevelt, who knew his New York quite well, once stated that one child in every ten in New York City is growing up so seriously undernourished that its bodily vitality is permanently impaired, and very nearly one other child out of every ten has been brought up in adverse conditions.[3] Others have put the percentage as high as 15;[4] and there is no reason to think that the condition is peculiar to New York. Malnutrition was, in fact, one of the common defects found through the army tests.

A child with an empty stomach, or one filled only with cabbage, or pickles, or bananas, is not likely to be in the proper state of mind to assimilate the beauties of poetry and art, to comprehend the intricacies of arithmetic, or to be inspired by the noble deeds of history. And what is true of the child in this condition remains true of the adult who finds all the strength of an undernourished body exhausted by daily toil, and who has no taste or capacity for the quieter intellectual pleasures and cultural opportunities, however readily accessible they may be. Health and leisure are the

[1] *Ibid,* pp. 125-130.

[2] Harris, "Some Medical Aspects of the High Cost of Living," Department of Health of the City of New York, *Reprint Series* no. 80, May, 1919. Cf. Fitch, John A.; *Causes of Industrial Unrest,* pp. 57-58; Ogburn in *American Economic Review,* vol. xiii, *Supplement,* pp. 124-125.

[3] New York *Times,* January 18, 1918, p. 13.

[4] Cf. Manny, Frank A., "Defective Nutrition and the Standard of Living," *Survey,* vol. xxxix (1918), pp. 698-701.

prerequisites of educational progress. Modern industry distributes these blessings very unevenly.

3. THE COST OF EDUCATION

Not only is the working-class child likely to be hindered and retarded in his schooling, but economic considerations affecting himself and his family usually shorten the period during which he can attend school. Fortunately, in most industrial communities, the minimum age at which children can leave school to go to work is now fixed by law, although this minimum, as we have seen, is still pitifully low in many of our states. Conditions, even when regulated in this manner, are sufficiently bad to exclude a large proportion of the children of the poor from the learned professions, and even from a high-school training. We sometimes forget that free instruction and free textbooks do not cover the whole situation, nor bring the same education within the reach of all. Parents must be financially able to support their children in comparative idleness during their school years; and this, it is evident, many of them are unable to do for more than a short period.

An analysis of somewhat over 600 cases of children who left school to go to work in seven different industrial centers of the United States indicated that economic motives on the part of the parents were the dominant factors in 57.9 per cent. In nearly 30 per cent of the cases the earnings of the child were really necessary for the support of the family; in 27.9 per cent the child's help was desired, although it was not absolutely needed; and in a pathetic 9.8 per cent the child himself preferred work to school, because of his backwardness in school, or because he was not interested in the instruction he found there, or because he felt that going to work would make him a man, or for the sake of associating with friends who were already at work.[1] A somewhat different study made in the progressive city of Waltham, Massa-

[1] *Conditions Under Which Children Leave School to Go to Work,* Commissioner of Labor, *Report on Condition of Woman and Child Wage-earners,* vol. vii (Washington, 1910), p. 46, *et seq.*

chusetts, showed that economic pressure was the primary motive for going to work in the cases of more than a third of the boys, and of nearly a third of the girls; and that it was a contributory motive with many more.[1]

Education is not, of course, something that can be purchased in the market with money alone. The liberal expenditures which wealthy families make for the care and instruction of their offspring are often actuated by illusory hopes, and do not always yield proportionate returns. They must be accompanied by effort and ability on the part of the pupil himself, to develop anything worth while; and, even so, one raised in such a protected, hot-house environment may lack the strength and adaptability of those who are subjected to rough-and-tumble contact with all sorts and conditions of children in the public schools.

Yet education cannot be had without money and without price, and there appears to be little question among those who can afford it (in the East, at any rate) that the instruction and facilities offered by an expensive private school are superior to those which a niggardly or only half-enlightened public supplies in the common schools. The $250 to $600, or even more, which these private institutions are able to charge for tuition alone, in addition to insuring a certain exclusiveness and prestige, ought to provide more decent and healthful surroundings, better playgrounds, gymnasia and physical training, more mature and better-educated teachers, and more individual instruction than did the $65, or so, per capita of average attendance which was expended for all purposes in the common schools of the United States in the year 1921-22.[2] Also, we do not need to be told that in those

[1] Abels, Margaret Hutton, *From School to Work* (Children's Bureau, Washington, 1917), pp. 23-25. In Toledo, financial need was found to be the dominant cause for 45 per cent of the boys at work and for 50 per cent of the girls. (Council of National Defence and Toledo Consumers' League, *Toledo Children Who Leave School for Work* (pamphlet) (1920)). Mrs. Helen Sumner Woodbury found that two-fifths gave that reason in Boston in 1921 (*Monthly Labor Review*, vol. xii, p. 45.)

[2] Phillips, F. M., *Statistical Survey of Education, 1921-22* (Bureau of Education, *Bulletin* no. 38 (Washington, 1925)), p. 12; Swift, *Biennial Survey of Public School Finance* (Washington, 1923), p. 4.

schools and colleges which both rich and poor attend there are indisputable advantages of an undemocratic sort on the side of the well-to-do student, if not in the classroom and the administration of discipline, at least in social life and what are comprehensively termed school or college "activities."

4. CIVIL LIBERTIES

Democracy is founded upon freedom of thought, and that freedom of expression and of discussion which must accompany it. Only through these can ultimate truth and justice be arrived at, and the interests of all parties be protected. This does not mean that every vicious and dangerous teaching should be allowed to flaunt itself without let or hindrance. When actuated by social motives and using due discretion, control of those organs of expression which chiefly influence the conduct of individuals or groups may be considered as reasonable and legitimate as the regulation of conduct itself. It does mean that, even when society itself undertakes to guide and regulate thought and discussion, it should err on the side of too great latitude; that the best way to combat ideas believed to be wrong is with other ideas—not with a club; and that under fair and equal conditions it can be assumed that good will triumph over evil, and truth will prevail over error. It means that, despite our efforts in the way of the secret ballot, corrupt-practice acts, and direct primaries, to remove the grosser forms of bribery and class domination, the danger still remains that private interests, working for their own pockets all the time, will get control of these wellsprings of democracy, and will largely shape public sentiment and public policy, by determining what the people shall hear, and read, and think.

The *right of free assemblage* and of association for legitimate purposes is itself often unreasonably abridged through economic pressure. The divers and devious ways in which employers have attempted to thwart organization among their employees have been before referred to. Our laws and the

interpretation of them by the courts are still in a state of uncertainty regarding these methods.[1] But if we grant that working-people as well as others have a right to hold meetings to discuss their grievances, with the presumption in their favor that they intend to keep within the law, and if we believe (as nearly all students of economics do believe) that some form of organization of labor is desirable as a defensive measure under prevailing industrial conditions, then we must condemn many of these methods by which employers reduce labor to subjection.

These have extended not only to a refusal to recognize the unions and to listen to their complaints until absolutely forced to do so, but to the suppression of all discussion among the workers and of all means of publicity. In this one respect at least employers have frequently shown solicitude regarding the kind of persons their workmen associate with in the factory, and the use they make of their leisure time. They must be safeguarded from the contaminating influence of the labor agitator and walking delegate. Any symptoms of a disposition to stir up trouble, where all has been peace and order and servility, any undue willingness on the part of an employee to testify at public hearings upon wages and other working conditions, have been quickly detected through spies or other agencies, and rewarded with prompt though unostentatious dismissal. Workers who have thus once attracted attention to themselves as dangerous characters have been entered in a kind of rogues' gallery, and, through a system of underground courtesy, prevented from getting employment elsewhere. "Discipline must be maintained." The blacklist has been forbidden by the laws of fully half of the states and by the federal government; but in more or less covert and negative forms (such as employment bureaus, clearance cards, or the requirement of a statement from the applicant for a job that he belongs to no labor union and a promise not to

[1] Cf. Laidler, *Boycotts and the Labor Struggle* (New York, 1914), pp. 45-49, 446-447; Clark, *Law of the Employment of Labor* (New York, 1911), p. 276, *et seq.*; United States Bureau of Labor Statistics, *Bulletin* no. 189 (Washington, 1916), pp. 158-161.

join any), it has persisted everywhere until the unions have become so powerful as to make it useless.[1]

Where a corporation or association of employers not only has a quasi-monopoly over employment in a certain field, but controls directly or indirectly much of the real estate, and exercises a dominant influence over the political affairs of the community, as in the mining districts of West Virginia and Colorado, or the steel towns of Pennsylvania, the chances of persecution, the power to prevent mass-meetings as "unwarranted obstructions of traffic," to interfere with peaceful persuasion by union pickets during strikes, and to hamper the efforts of labor generally, are much increased. Under these circumstances it may be said that the labor leader or the socialist agitator has no place to plant his soap-box or to lay his weary head—provided he can keep that member intact. He is a wanderer and an outcast.[2]

5. A COMMERCIALIZED PRESS

The source upon which most of us depend for information, and very often for ready-made opinions, regarding current happenings and questions is, of course, the newspaper—in all too many instances a single newspaper. However much we may pretend to independence of thought, constant suggestion and iteration commonly do their work, and we become more or less faithful reflections of what we read. The question, therefore, arises: How reliable is this organ which we clothe with such infallibility? Will it give the people the

[1] Cf. John Mitchell and others before Industrial Commission, 1900, *Report*, vol. xii, pp. 37, 65, 128; Laidler, *Boycotts and the Labor Struggle* (New York, 1914), pp. 39-49.

[2] *Report of the Commissioner of Labor*, 1905, *Labor Disturbances in Colorado* (Washington, 1905), pp. 224, *et seq.*, 229, *et seq.*; Taylor, "The Clash in the Copper Country," *Survey*, vol. xxxi (1913-14), p. 127, *et seq.*; Fitch, "Law and Order, the Issue in Colorado," *Survey*, vol. xxxiii, p. 241, *et seq.*; Ross, Brooks and others, "Freedom of Communication," *Publications of American Sociological Society*, vol. ix (Chicago, 1915), pp. 1-66. Villard, Oswald, "The New Fight for Old Liberties," *Harper's Magazine*, vol. cli (1925), pp. 440-447; Gulick, Charles A., *Labor Policy of the United States Steel Corporation* (*Columbia University Studies* (New York, 1924)), chap. iv; Howard, Sidney, *The Labor Spy* (New York, 1924), *passim*.

truth, the whole truth, and nothing but the truth about a labor dispute?

The temptations and dangers of bias which constantly attend the publishing business are beyond dispute. Being a big business, in which only corporations or great capitalists with political or other interests to serve can engage, it is likely to be governed chiefly by business motives—not by a desire for the spread of education or reform.[1] The importance assumed by advertising as the main source of revenue for the newspaper or periodical makes them more than ever commercial undertakings. The gains of large-scale operation in the purchase of supplies and in the full utilization of the plant and personnel have led to frequent consolidations and the formation of several newspaper syndicates or trusts. The Associated Press, although itself not run for profit, constitutes such an organization in the news-gathering field; and in the restrictions which it has placed upon new franchises, as well as in the "factor's agreement" which it requires of those using its service, has exercised considerable control over the newspaper world.[2] Combination has taken the form both of newspaper-chains and of consolidation of two or more papers into one. Fewer newspapers and periodicals were, in fact, reported in 1921 than in 1914.[3] Mr. Hearst himself controls some twenty-six daily papers in various cities of the United States, and eight or ten periodicals; so that he has long since reached a reading-public of over ten millions. Mr. Munsey evidently aspired at one time to a similar control, but thought better of it. The Scripps syndicate is said to control thirty papers; and altogether more than two hundred are thus owned in groups.[4] A similar concentration of ownership has

[1] The amount of capital invested in the printing and publishing of newspapers and periodicals in 1919 was $614,000,000. (*Fourteenth Census*, vol. x, p. 567.)

[2] Cf. Mason, Gregory, "The Associated Press," *Outlook*, vol. cvii (1914), pp. 237-240.

[3] *Census of Manufactures* (Washington, 1924), p. 627. There were 13,166 in 1921 as compared with 22,754 in 1914, a decrease of over 40 per cent.

[4] Cf. Dickey, Carl C., "The Truth about the Newspapers," *World's Work* (New York), vol. xlviii (1924), p. 511; Seitz, Don C., "The American Press," *Outlook* (New York), vol. cxlii (1926), pp. 20-22.

taken place among British papers, at least up to the death of Lord Northcliffe.

Such great enterprises would assuredly be very efficient and desirable, if they did not involve the danger that things will be run too largely from the business office rather than from the editorial chair. The editors themselves and the whole reportorial staff are only hired servants, and most of them none too well paid at that. Gifted writers, it seems, can be induced to write brilliantly upon either side of almost any question. Many of the corporations and trusts have abandoned their former policy of sphinx-like secrecy, and in the past twenty years or more have been cultivating an expensive, though doubtless effective, amount of publicity. Not to dwell upon the usefulness of the "plant journals," which many of them conduct for the sake of advertising their good deeds and cultivating the good will of their employees and of the public, several large groups—the Coal Trust, the Consolidated Gas Company of New York, the Standard Oil Company and other Rockefeller companies, among them—have at different times employed the services of former newspaper men like Ivy L. Lee, Robert E. Livingston, and the late J. I. C. Clarke to see that the right kind of news got into the papers.[1]

Our newspapers publish both too much and too little. Not only are they inclined to be too hospitable or partial to news which favors concerns in which their principal owners or chief advertisers are interested, but in the effort to promote a wide circulation and thus obtain high advertising rates they often cater to those lower passions and interests of the people which are unfortunately the strongest and the most common. They display comic pictures, advertisements, and news items that appeal to the sex-instinct and otherwise tend to degrade rather than elevate the public taste and standard of morality. Thus, quite aside from the carelessness and inaccuracy of many of their statements, they are far from being that ideal medium of popular education which we should look for. The

[1] Cf. Morse, Sherman, "The Awakening of Wall Street," *American Magazine*, vol. lxii (1906), pp. 458-463; New York *Times*, February 28, 1925, p. 15.

seeming neglect of the newspaper by so many of our young people is the less lamentable for this reason, that, while they miss much that is valuable and good, they also escape much that is evil and depraving.

Class bias on the part of the newspaper, however, appears rather in sins of omission than in those of commission. Dr. Ross has cited numerous instances of the suppression or distortion of important news: the existence of "sacred cows" in newspaper offices, concerning which damaging news of any sort must not be printed; the failure to give a fair statement of the grievances of labor, and regarding its efforts for redress; the false emphasis given to unimportant happenings, whereas news touching upon vital social and economic questions, if given at all, is tucked away in inconspicuous corners along with "apologies and corrections." [1]

The defenders of the newspapers are wont to argue that such cases, if true, are certainly exceptional. They claim that a newspaper cannot long succeed, cannot keep up its circulation and thus its advertising revenue, unless it gives a full and fair presentation of all the news. Competition, they say, puts all newspapers upon their good behavior, and the customer always has the whip-hand.[2]

But this sounds a bit too much like the familiar old argument regarding the beneficence of *laissez faire* to be perfectly convincing to modern ears. We may grant that, like most other human enterprises or institutions, the newspaper can be trusted to follow the course which it deems most conducive to its growth and continued existence; that upon matters other than those in which its owners and clients are financially interested it often does show remarkable omniscience, energy, and public spirit; indeed, that "the suppression of important

[1] Ross, *Changing America* (New York, 1912), pp. 109-136. Theodore H. Price gives a telling instance of an attempt by the manufacturer of a fuel-saving device to buy his influence through the purchase of advertising space in his paper. (*Commerce and Finance,* May 1, 1918, pp. 462-463.)

[2] Cf. Hamilton, W. P., "The Case for the Newspapers," *Atlantic Monthly,* vol. cv (1910), pp. 650-654; Watterson, Henry, "The Personal Equation in Journalism," *Atlantic Monthly,* vol. cvi (1910), pp. 42-46; Grasty, Charles H., "Reasonable Restriction upon Freedom of the Press," *Publications of the American Sociological Society,* vol. ix (1915), pp. 117-122.

news" is not by any means so great or, at least, so apparent an evil as, knowing the temptations, we should expect it to be.

The amount of criticism and suspicion to which the press has been subjected in recent years has had a healthful effect. Some efforts have been made toward the adoption of a code of newspaper ethics.[1] It would be quite as unjustifiable to lump all newspapers together as liars as it would be to so denominate all men. In the larger metropolitan areas where business interests are varied and numerous and a spirit of commercial freedom prevails, the danger that a newspaper will become subordinated to any one interest is less than where industries are specialized and autocratic. The very success of a great paper like the New York *Times*—witnessed by the number of columns of advertising it has to reject every day—gives it a certain independence and immunity from sinister influences. A paper so circumstanced may, as Mr. Dickey suggests, sometimes be colorless, but not "colored." Its news columns show the utmost latitude and fairness, however much of class or party bias may sometimes creep into the restricted domain of the editorial writers. The big papers profess to be constantly on their guard against the wiles of publicity men and press agents.[2] The square deal is, however, more difficult to achieve in a city like Pittsburgh or in the textile mill towns, where one or two industries dominate the business and the thinking of the community, and often its government as well. The papers of the "Iron City" were certainly not hospitable to labor views or labor news during the steel strike of 1919.[3] At such times the attitude of all papers is likely to be too much the same for any one of them to serve as a check or corrective upon the rest. And the endowed newspaper has not yet come to offer such a standard of measurement.

[1] Cf. code of ethics adopted by American Association of Newspaper Editors, April, 1923, given in Dickey, *World's Work,* vol. xlix (1924), p. 45.

[2] Cf. Seitz, *Training for the Newspaper Trade* (Philadelphia, 1916), pp. 125-126; Dickey in *World's Work,* vol. xlix, pp. 35-45.

[3] Cf. Interchurch World Movement, *Report on Steel Strike of 1919* (New York, 1920), pp. 199, 242; Foster, W., *The Great Steel Strike* (New York, 1920), p. 99; Gulick, *Labor Policy of the United States Steel Corporation* (New York, 1924), pp. 130-132.

All in all, it is well to remember that the danger of sinister influences exists, even though it is not always confirmed in practice. The money-making motive is least compatible with any really educational enterprise like the theater, the schools, and the newspaper, largely because relative values here are intangible and so difficult for the consuming public itself to gage. It is a situation where a large measure of disinterested zeal and idealism is necessary to raise the level of public taste and intelligence; and that we cannot expect from huge corporations, actuated chiefly by the desire for profits. That the distrust of the people is already directed toward the press makes the chance of evil and misguidance somewhat less; but it does not answer the call for leadership into the way of all truth and righteousness. The student who would understand the labor problem from all angles is particularly advised that it is not wise to depend wholly upon the columns of a capitalistic newspaper; but that he should talk with labor men, attend labor meetings, and consult labor papers. It has been difficult, indeed, to sustain such journalistic efforts on the part of the workers, and the mortality has been very high; but there is no question about the need for them.

6. ACADEMIC FREEDOM

Nowhere is the maintenance of freedom of thought and of untrammeled discussion more important than in our colleges and universities. To them chiefly we must look for the conservation and interpretation of all that is wise and good in the past, and upon them and the men and women trained in them we must depend for leadership in carrying the torch of truth into yet unexplored regions. The greatest service which an education can render to any man is to awaken in him the spark of socialized originality. The college, as an institution not operated for financial gain, should train the young men and women who come under its influence to think logically and independently, and to form judgments in a scientific manner upon the basis of all information available. Here, if anywhere, reason should hold sway and the facts should be faced frankly. Here men should be enabled to get away

from purely economic standards of measurement, and from the narrow prejudices that so early and so easily beset human nature; and here they should form ideals and habits of intellectual honesty that will stay with them throughout the hurly-burly of life.

We cannot expect the fulfilment of this ideal unless the atmosphere of the college itself is entirely free from all narrow and sordid influences. The teaching staff must be chosen purely with reference to fitness in point of character, scholarship, and ability to teach. They must be assured such compensation, such permanency of tenure, and such opportunity for advancement as will leave their minds free from thoughts of "pulls" and place-hunting. They must be allowed to speak (at least upon their own subjects) "as one having authority" —not compelled to avoid all really live and interesting problems, to cite chapter and verse, or to use terms of mincing uncertainty. If a wrong selection seems to have been made, it is necessary, in order that the sanctity of true scholarship may be preserved, and in order that those who remain as well as the one whom it is proposed to dismiss may not have a sense of injustice and of servitude, that there be a full and fair hearing in which members of the faculty co-operate.

There are, indeed, institutions which, on account of ecclesiastical bias or restrictions, make no pretense to liberality and where the freedom of teaching has never existed. Their limitations are sufficiently well known to be comparatively harmless. But practically all the great endowed colleges and universities have come to realize that their very name causes them to be "affected with a public interest"; and have thrown their doors open to students of all classes and conditions, at tuition rates considerably less than the cost of instruction, and profess a similar hospitality to truth from whatever source.

The dangers which chiefly confront such institutions are naturally in the methods of securing funds, and in the composition and influence of their governing boards. The delicate flower can grow up out of the muck without being tainted

by the vile substance from which it springs. Doubtless it is also possible for intellectual freedom to be maintained, even though dependent for its support upon the more or less questionable gains of commercial and industrial enterprises, dispensed by private individuals. Old gifts, like old taxes upon land, are generally acknowledged to be burdenless. The donors, and very probably their immediate descendants, are dead; the obligation has become chiefly that of a memorial; and the college is free to use the funds for whatever purpose seems best. Similarly, where there are enough well-to-do and generous men among the alumni, the position of the college or university president is much easier and the ideals of the institution less likely to be sullied or sacrificed.

But where the school has ambitious plans for expansion and must make appeal to wealthy outsiders who may never have been initiated into the beauties and mysteries of learning for its own sake, the danger is much increased. Few such gifts are "clothed with anonymity." There is commonly some desire for recognition such as a grateful college president is quite ready to urge; and it is in these forms of recognition that peril to the independence of the institution lies. Gratitude for gifts made during life sometimes takes the relatively harmless form of honorary degrees. Or the name of the benefactor and the record of his noble deeds may be held up for the admiration of successive generations of undergraduates. Where the location of the college or its early history connects it with a particular industry, or makes it dependent upon the favor of a single capitalist or group of capitalists, there is the temptation to shape the course of instruction to the requirements of this industry or the wishes of its owners. It then ceases to be a liberal arts college and becomes a school for industrial training.[1]

A survey of the lists of trustees of several of our leading endowed colleges and universities shows plainly that election to "the Board" is one of the favorite methods of honoring and

[1] Cf. Fetter, "The Economist and the Public," *American Economic Review*, vol. xv, esp. p. 19, *et seq.*

attaching those who have been liberal, or are in a position to be liberal, to the institution. We find there the names of many men of consequence in the business world: trust magnates, bankers, railway presidents, and others who probably find it easy to serve on the board of directors of a corporation one day, and to meet with the board of trustees of a college the next. Some of these men are, of course, college-men themselves, graduates of the institution they serve; others are without academic experience or the scholarly viewpoint—masterful men, accustomed to say to this man "Go thou," and he goeth, and to that one "Come," and he cometh, and likely to carry over into the exercise of their new functions a form of government which, however successful it may be in business, is not adapted to educational pursuits.[1]

That there has been danger of undue pressure and interference in the affairs of our colleges and universities by business interests is shown by the formation of the Association of University Professors in 1915 and by some of its reports upon cases involving academic freedom. A committee of this Association of which Professor Seligman was chairman pointed out that, considering the class or private interests affecting most questions in the political, social, and economic field, and the composition of university governing bodies as well as the constituency which these institutions principally serve, "there is a real danger that pressure from vested interests may, sometimes deliberately and sometimes unconsciously, sometimes openly and sometimes subtly and in obscure ways, be brought to bear on college authorities."[2] Their chief criticism in the cases of dismissal that they investigated was that there had not been "due process" and that the true merits had not been revealed. And the most promising development from the work carried on by the Association has been the formulation here, also, of a code of ethics, and a much greater willingness on the part of college and university authorities to admit permanent members of their faculties to a share in administra-

[1] Cf. Russell, Bertrand, *School and Society* (New York), vol. xix (1924), pp. 545-546.

[2] Given in *American Economic Review*, vol. vi, *Supplement*, p. 238.

tion, particularly with respect to appointments and dismissals.[1]

British universities, which on the average draw about one-half of their income from Parliamentary grants and from local government appropriations, and which thus depend to a less degree than our great endowed schools upon private benefactions, have apparently achieved a high degree of independence, and suffer from no serious menace to academic freedom.[2] Several of our own great state universities, also, have made much progress in educating their constituencies to an appreciation of the true value of culture and education, and have secured a more regular and unrestricted flow of state funds for their support. If they have the faults and the dangers of democracy, they have also its virtues and its adaptability.[3]

7. THE FICTION OF POLITICAL EQUALITY

It must not be forgotten, either, that those who hold the keys to public opinion also largely control the path to political preferment. The constitutional or legislative provisions establishing a property qualification for holding office were abolished in most states long ago. But largely because publicity is such an important factor in politics, rather than because of the corruptibility of any considerable portion of our electorate, we still have to-day practically what amounts to such a requirement.

A poor man, whatever his abilities, cannot afford to run for a high elective office; and, if he does so and should win, finds it extremely difficult to preserve his honor and independence. On the other hand, it is almost impossible for the voters to estimate what are the real abilities and merits of a wealthy candidate, because of the hired talent with which

[1] Cf. Deibler, F. S., "Principles of Academic Freedom and Tenure," *Annals of the American Academy,* vol. ci (May, 1922), pp. 127-137.

[2] Cf. Barker, Ernest, "The Nature and Conditions of Academic Freedom in Universities" (Address before Educational Section of the British Association for the Advancement of Science, Toronto), *School and Society,* vol. xx (1924), pp. 160-168.

[3] Cf. Pritchett, H. S., "The Spirit of the State Universities," *Atlantic Monthly,* vol. cv (1910), pp. 741-753.

he is able to surround himself, the power he is able to exert upon party leaders through campaign contributions or otherwise, the influence he has with the press, and the volume and extent of self-advertising he is able to do. Instances are not wanting where the mayors of cities and the governors of states, "the people's choice," whose campaign speeches happened to be written by some of the brilliant literary persons previously referred to, have later in some unguarded moment of extemporization had the mask torn off, and have stood revealed to public gaze as mere puppets and illiterate nonentities.

The old convention system, with its more or less hidden party machinery and covert financial obligations, certainly could not be recommended for its purity and the infallible wisdom of its selections; someone had to pay and those who paid expected the goods to be delivered. But it is likewise one of the questionable features of the prevailing direct primary system that it involves two expensive campaigns for nominees, and puts a heavy premium upon financial resources. Says Professor Meyer:

> There is serious danger that under the present system the man without large means may find it almost impossible to enter the primary lists, or that he may incur obligations of a character that may interfere with his usefulness to the public.[1]

8. ECONOMIC FACTORS IN CRIME AND VICE

There is much truth, finally, in an economic interpretation of morals, although here again we must beware of simple explanations. No art has yet been discovered to trace out and weigh all of the subtle influences and interworkings of cause and effect which shape the conduct of a particular individual. "General causation theories" are at a discount among criminologists to-day, as among other social and economic writers. Crime and immorality are complex phenomena, the product of a combination of forces, often acting cumulatively and simultaneously, some of them primary, some secondary, some hereditary, and some environmental. A bad heredity is fre-

[1] Meyer, *Nominating Systems* (Madison, Wis., 1902), p. 383. Cf. Merriam, *Direct Primaries* (University of Chicago Press, 1908), pp. 119, 128.

quently accompanied and reinforced by a bad environment, and it is impossible to detect where one influence ends and the other begins. Only this we can say—that it is legitimate to emphasize the more objective economic and social factors, because they are the most apparent and presumably the most easily remedied.

Criminal statistics in their present state do not warrant the bald assertion that the poor or the working-class are more given to crime and vice than the well-to-do. Several writers, evidently judging the morals of the workers largely by their manners, find them (or a considerable portion of them) vulgar, low-minded, and especially addicted to sexual irregularities; and have even attributed their failure to rise in the industrial scale chiefly to this cause.[1] Others hesitate to "cast the first stone," or to believe that one class is inherently much worse than the other. The tone of conversation among workingmen is admittedly not uniformly high and noble; but it is doubtful whether that in a fashionable men's club or a college fraternity is much higher or nobler. Lombroso, while citing figures that show "an enormous disproportion of crimes among the poor," reflects that because of his fortune, his social position, and his ability to hire the best counsel the conviction of the rich man is much more rare.[2] The relatively low criminal record of Scotland and Ireland is cited as showing that poverty does not inevitably lead to crime.[3]

Yet there are unquestionably many features and circumstances of our present industrial system and of the social arrangements growing out of it that tend to promote vice and crime in all classes. Inequalities in wealth and the vanity, rivalry, envy, jealousy, and animosity which they provoke are almost if not quite as likely to induce violations of the moral and legal code as absolute poverty and distress. The typical

[1] Cf. Warner, *American Charities* (New York, 1908), p. 82; Streightoff, *Standard of Living*, p. 136, *et seq.*

[2] Lombroso, *Crime: Its Causes and Remedies* (translated by H. P. Horton) (Boston, 1912), pp. 135-137. Cf., also, Morrison, *Crime and Its Causes* (London, 1891), pp. 140-143; Veiller, "How the Law Saves the Criminal," *World's Work*, vol. li (1926), pp. 310-320.

[3] Morrison, *op. cit.*, pp. 131-132; Currier, *The Present Day Problem of Crime* (Boston, 1912), pp. 23-24.

offender against the rights of property to-day is probably not Jean Valjean, driven to steal by hunger and his love for those under his care. He is rather one, whatever his rank and station, who already has enough, but is not satisfied with the figure he cuts in the world; who finds labor and economy irksome, or considers them dishonorable, and seeks through theft, forgery, or defalcation to win the luxuries which he sees others enjoy. Class lines and differences, as previously suggested, also give rise to a double standard of ethics: one related to the members of one's own class, the other to those outside. If a member of the poorer class becomes discouraged, and has become fully convinced that the wealth and power of those above him were ill-gotten and acquired through the exploitation of consumers and laborers, of whom he is one, he becomes rebellious, and under immediate temptation is likely to show scant respect for the laws of private property. "Knocking down fares," for example, is said to have been particularly flagrant in New York during the revelations regarding stock watering and mismanagement in the street-railway companies. The violence that sometimes attends strikes is of this same character. The rich, on the other hand, have been able to prey upon those less fortunate, to use them to gratify their vanity and their lower passions; and they have often had less compunction about doing so, because they regard them as a different order of beings. "Excessive wealth," says Lombroso, "is a natural instrument of despotism, of all sorts of sexual and alcoholic abuses, and, in consequence, of crime." [1]

The reports of several vice commissions and minimum-wage investigations have centered interest in this problem principally upon the sex phase. Practically all assign an important place to economic conditions, either indirectly as they affect the early home life and training of the offenders, or more directly as they subject them to temptations greater than flesh is able to bear.

Professor Ely, describing, on the one hand, the absence of family life in the "she towns" of New England and in the

[1] Lombroso, *op. cit.*, p. 132. Cf. also pp. 134-135.

logging and mining camps where "masculine society" prevails, and, on the other hand, the crowded, disordered, promiscuous home life of many industrial districts, admits that "the socialist has strong support for his claim that industrialism is destroying the family." [1] Lawrence Veiller, a specialist on housing conditions, declares that "no one who has worked for even a slight period of time among the poor has any doubt of what it is that needs reformation first. It will generally be found that when the conditions surrounding the lives of the poor have been changed the people have, in large measure, changed with them." [2] Dr. Katherine B. Davis, speaking from her experience as superintendent of the Bedford Reformatory for Women and as Commissioner of Corrections of New York City, says regarding women who go wrong, "The trouble goes farther back than the individual girl. She is what she is in many instances as a result of low standards of living in the family, these standards being the result of low wages." [3] George Kneeland, who, perhaps more than any other person, is an authority on this subject, concludes a review of opinions and figures with an endorsement of the statement that "poverty engenders prostitution." [4]

There are still too many powerful economic interests pitted on the side of evil and against those refining, hallowing influences upon which, in final analysis, we must chiefly depend to fortify the soul. The prohibition of the liquor traffic has helped to remove one of the worst of these interests.[5] But sometimes it seems as if the vulgar and depraving promiscuity of crowded tenements, the streets of the city with their "sights and sounds unholy," the enforced and often perilous

[1] Ely, *Socialism and Social Reform* (New York, 1894), p. 43, *et seq.*

[2] Veiller, *Housing Reform* (New York, 1911), p. 17.

[3] *Fourth Report of the New York Factory Investigating Commission, 1915*, vol. i, p. 390.

[4] *Ibid.*, p. 407. Cf., also, testimony of Maud E. Miner (pp. 409-411), and James B. Reynolds (pp. 412-413); Addams, Jane, "A New Conscience and an Ancient Evil," *McClure's Magazine*, vol. xxxviii (1911), pp. 232-240.

[5] Miss Jane Addams, writing upon the basis of the report of the Chicago Vice Commission in 1911, declared that alcohol is the "indispensable vehicle" of the white slave traffic both on the supply side and the demand side (*op. cit.*, p. 232).

companionships of the work-place, and the sensational and sordid amusements afforded to young persons of all classes were in a conspiracy to convert the mind of youth into a veritable moral sewer, and to kill all aspirations and strivings toward the light. The absence of a healthy and absorbing interest in work itself, the low wages often received by working girls, who none the less have opportunities to see the extravagant finery and other expenditures of the rich, the all too frequent estrangement from the church and other elevating and educational institutions, and the general artificiality of our social life and standards, which makes proper and wholesome acquaintance and the ripening of true and disinterested affection so difficult, all make it easy to go wrong and difficult to go right.[1]

9. SUMMARY

The book of the lamentations of labor is ended. As a composite record of all the voices of protest, it seems a long and bitter wail. We are not to suppose that every workingman is each moment acutely conscious of every one of these grievances, and is vociferously and unceasingly demanding their removal. Under such a weight of trouble and wrath his soul would, indeed, be crushed. Rather it is true that a large portion of the working-people are still ignorant and inert; others are blindly discontented and aggrieved without knowing the why and wherefore; and even the best informed and most militant among them do not continually harp upon the same note.

Yet there actually is a labor problem from the standpoint of the worker; he has real grounds for believing that, whatever its benefits to others and to himself, modern capitalism is not unqualifiedly and unreservedly to be trusted as a friend; and he is fully justified in refusing to leave it to work out its natural tendencies unopposed. Employer and employee have much in common, but differences of interest are likewise evident. What seems economical and profitable to the individual or private concern does not always prove socially ad-

[1] Cf. Sutherland, E. H., *Criminology* (Philadelphia, 1924), pp. 170-171.

vantageous. The worker fears unemployment because it fills his mind with uncertainty, and because he has no reserve fund to provide against it. He demands shorter hours because modern labor is, much of it, monotonous, joyless, and taxing to the health, and because he needs more leisure in which to relax and to gratify a higher standard of living. He seeks protection for his life and health because modern industry presents many perils against which he is unable to protect himself. He struggles to obtain higher wages because wages are the means of his life, and because he believes his employer is exploiting him for the sake of profits. He protests against the present distribution of wealth because labor can be socially honorable only in proportion as it is universal, and because he feels himself unjustly excluded from many of the opportunities and advantages of modern civilization.

This, however, presents but one side of the shield. It states the wrongs of labor without admitting to view its own faults and shortcomings. In showing so far as possible what are the natural workings of modern industry, it ignores the steps that have been and are being taken to correct the evils. Our remaining task is to describe and compare and criticize the efforts and proposals which the workers themselves are making to hold capitalism in check and to improve their condition.

PART III

UNIONISM

CHAPTER IX

EVOLUTION: GROWTH

1. DEFINITION

"Age of Organization" is perhaps the most fitting of the various phrases used to describe and identify the period of history in which we are now living. And there is at least this presumption in favor of the organization of labor, that it is natural and in keeping with the spirit of the times. Industrialization, bringing people together in great masses and teaching them the advantages of division of labor, has impressed upon us the helpless inadequacy of the isolated individual and the necessity for collective effort. Everything today is organized, or rapidly becoming so. There are organizations for war and for peace, for work and for play, for getting and for spending, for religion, education, and philanthropy, on the one hand, and for robbery, exploitation, and crime, on the other. Organization is the distinctive feature of modern capitalistic enterprise. It organizes to secure capital, to purchase equipment and materials, to employ and supervise labor, to carry on in most economical fashion the complex process of production, and finally to secure and maintain the most profitable market for its product. Even the "antis" and the anarchists are organized. Why not labor?

Unionism is chronologically the earliest and typically the most moderate of the different forms of labor organization. It is unquestionably the form which, until recently at any rate, has appealed most strongly to the practical and optimistic temperament of British and American workers. The genuine labor union in its dealings with its constituents and, ideally at least, in its relations with employers, is a business organization quite in line with other business organizations

of to-day. Its *raison d'être* and primary purpose are to increase the bargaining power of its members, to compel employers, through sheer economic pressure if necessary, to recognize its right to a voice in the determination of labor conditions and to enter into agreements or contracts with it.

More specifically, it is a co-operative selling organization analogous to the California Fruit Growers' Association or a farmers' elevator company, not conducted for its own profit, but for the advantage of its individual members. It sells labor upon the most advantageous terms it can obtain. Everything about it—its structure, its form of government, its policies and activities, whether political or economic—is typically subordinated to and directed toward this strictly commercial end. It is self-centered and unsentimental in spirit. It does not rely upon theoretical arguments as to abstract justice, but upon the facts of the present. It cherishes no fond hopes or iridescent dreams regarding some remote goal in the distant future. It sings no songs and inspires no religious zeal. Rather it prides itself upon its practicality, its lack of a fixed program, and the fact that each gain achieved through its efforts is looked upon as but a starting-point for further progress. "Something now" is its motto. It devotes itself through its leaders and business agents to the higgling of the labor market, and to concrete practical ways of increasing its control of the trade.

The workingman himself, in turn, regards his membership in a labor union as chiefly, if not wholly, a business proposition. He looks to it for assistance and support, much as a business man looks to his bank. His fellow-members are ordinarily his working associates, and the union may offer some opportunities for sociability and self-expression. But the principal bond is one of financial returns rather than of affection. There is likely to be fear rather than love, policy rather than principle, in his adherence to it. Not infrequently he pays his dues for its maintenance grudgingly and irregularly, wondering whether the returns are likely to be commensurate with the sacrifice involved. His loyalty and support, in short, depend upon the ability of the union to

find him a job (or its ability to exclude him from a job if he is not a member), and upon its power to protect or improve his conditions of labor and standard of living. When the union is well managed and has won for itself an influential place in the industrial field, he considers it worth while to belong to it. It gives him a greater sense of security in the shifting circumstances of the work-a-day world.

A union, then, as we shall use the term here, is a more or less permanent combination of labor, seeking to safeguard and, if possible, advance the interests of its members through collective bargaining. Whether it includes many members or few, whether it is built upon narrow craft lines or upon the more inclusive industrial plan, its purpose is the same; and it presumably regards its structure as that best adapted to accomplish this purpose. Legal disabilities or recognition of its limitations as an economic organization may sometimes drive it into the field of politics; but to that extent it becomes something other than a labor union properly so called. It may develop certain insurance features—out-of-work pay, death and funeral benefits, old-age pensions, and so on—things not so obviously connected with its chief aim; but these are commonly such as will really enhance its control over its constituency and thereby increase its bargaining power with the employer. Whatever does not minister to this end is as "unbusinesslike" as it is for a banker to engage in collecting "old masters," or for a tea-merchant to indulge in a mania for yacht-racing—and probably more so.

2. SPONTANEITY

The history of the labor movement has not been carefully preserved. Professional historians were, until recently, almost wholly absorbed in recording political and military events and attached small significance to this and other phases of social and economic history. Where they have touched upon such matters, it cannot be said that they have commonly been free from bias nor full of understanding. And the workers themselves, although some of their organizations are now able and quite willing to claim the prestige which belongs to

a considerable antiquity, have naturally not been in a position to exploit the literary possibilities of their past experience. For some of the accounts of particular unions written by old war-horses in the movement— such as Chris Evans' *History of the United Mine Workers of America,* Tracy's *History of the Typographical Union,* and G. W. Alcock's history of the British railway workers—we have reason to be grateful. The records which economists like Mr. and Mrs. Webb in England and Professor Commons and his associates in America have literally "snatched from the burning" do not claim to afford a full and symmetrical narrative for each period, nor to assign to each actor his true importance. They may be assumed to be representative only.

Perhaps it may as well be granted that, while not without its dramatic situations and thrilling incidents, the history of labor is wanting in that thread of continuity or succession of closely related events leading up to a climax which would make it interesting to the general reader. No movement, indeed, probably owes less to historical guidance. It has had rather the character of instinctive response and spontaneous outburst; and tradition or precedent has played a relatively slight part in its development. Some of its more radical elements even pride themselves upon ignoring and even defying such teachers, and would readily subscribe to the statement that "all history is bunk." Thus the history of the whole labor movement, as we have it, is in large measure a fragmentary and often discouraging account of false starts, mistaken enthusiasms, and unrealized hopes; tremendous struggles and sacrifices, resulting many times in apparent failure; a long procession of ambitious organizations with high-sounding names, quickly lost from sight and forgotten.

Yet the present-day fact that organized labor through its various bodies commands millions of men in every great industrial country, and that its voice is listened to in all our economic and political affairs, must somehow be explained. The study of labor history is valuable, if for nothing more, in showing the spontaneity and the persistence with which some form of labor organization has arisen, wherever and

whenever circumstances seemed to demand it. It gives the lie to the claim so often made when any new manifestation of labor trouble appears—the steel strike of 1919, for example—that all this is but the mischievous work of designing or crack-brained agitators. It confirms the impression that unionism and, for the most part, the other branches of the labor movement are but the natural and inevitable reactions of fundamental human instincts to the conditions of labor which prevail under modern capitalism. We can, indeed, trace the beginnings of unionism far back into the pre-factory stage of capitalism. It appeared just as soon as a more or less permanent economic and social separation occurred between masters and journeymen; and its growth and structure have ever since run in striking parallelism with the growth and structure of the capitalist system itself.

The journeymen's clubs or associations which existed in France as early as the thirteenth century (largely for a function still served by unions, that of assisting traveling members) were the nucleus for more militant organizations which later carried on strikes for higher wages and against the excessive employment of apprentices. The accounts of the strikes of the journeymen bakers of Paris and of the printers of Paris and Lyons in the sixteenth century have a distinctly modern sound. Indeed, they were so much in advance of their time that an edict was issued by the king prohibiting all associations of this kind.[1] Similar organizations existed in England by the fifteenth century, although the Statute of Apprentices of 1563 and the assumption of other regulatory functions by the government helped to keep the journeymen of England under the tutelage of the masters for a longer period than on the Continent.[2] The small masters also, so long as hope of survival remained to them, served as a kind of buffer between the rising merchant-manufacturers and the growing mass of journeymen. It is, in fact, in the organizations of these small masters themselves in the seventeenth

[1] Levasseur, *Histoire des classes ouvrières en France, avant 1789,* vol. ii. pp. 117-124.

[2] Unwin, *Industrial Organization in the 16th and 17th Centuries,* pp. 48-52; Lipson, *Economic History of England,* p. 349, *et seq.*

century, before they were finally pushed to the wall and eliminated, that Professor Unwin finds "the first link in tracing backwards the organized skilled workman of the present day." [1]

The exact birthday of the first labor union that achieved sufficient permanency to be entitled to the name will probably always remain in doubt. In the earlier editions of their great work, Mr. and Mrs. Webb began their narrative from "the beginning of the eighteenth century"; but in the edition of 1920 they have seen fit to push the date back to "the latter part of the seventeenth century," because they find mention of an organization of rather sturdy proportions among the printers of London as early as 1666, and concede that the Hatters' Trade Union of Great Britain and Ireland may have some claim to an ancestry reaching back to the year 1667.[2] The complaint of the master tailors of London and Westminster to Parliament in 1720 certainly testifies to their belief in the existence of a troublesome and high-handed combination among their journeymen at that date; and their success in securing from a compliant legislature an act prohibiting such nefarious organizations seems also—like similar acts passed much later—to have been quite unavailing in stemming the tide.[3] Combined action upon the part of the workers in woolen manufacture in the west of England appears likewise to have been carried on quite continuously since about 200 years ago. And there is evidence that a common method of applying the wage-fixing clause of the Statute of Apprentices in that period—at least in the woolen, silk, and hatters' trades—was to make up a list of rates through a process of collective bargaining between employers and journeymen's associations, and then to submit this to the magistrates for their sanction.[4]

Even under the Combination Acts of 1799 and 1800, which were the culmination of a long series of acts intended to

[1] *Op. cit.*, p. 200. Cf. also *ibid.*, pp. 117-125 and chap. viii; Webb, *History of Trade Unionism* (1920), p. 21, *et seq.*

[2] Webb, *op. cit.*, pp. 27-30. Cf. Unwin, *op. cit.*, pp. 213-221.

[3] Webb, *op. cit.*, pp. 30-32.

[4] Usher, *Industrial History of England* (Boston, 1920), chap. xv; Webb, *History of Trade Unionism* (1920), p. 65, *et seq.*

strengthen and supplement the common-law doctrine of conspiracy and to check organization of labor, skilled handicraftsmen continued to maintain their associations for other than purely social or fraternal objects, and these were often connived at by employers. These acts, however, did place in the hands of the employer a weapon which he could use either for intimidation or for actual prosecution whenever he thought his workmen were becoming a bit too obstreperous. In this way they not only destroyed much of the effectiveness of the organizations that were allowed to exist, but they greatly hindered the formation of unions in the newer manufacturing trades—such as cotton-spinning and weaving—where their protection was most needed. Enforced with such spasmodic severity as that displayed by "Bloody Black Jack" Silvester, when he sentenced compositors on the London *Times* to prison for terms ranging from nine months to two years, they bred an atmosphere of secrecy, suspicion, and antagonism that was not soon erased from memory.[1] So deep, in fact, was the subjection of the workers in the first quarter of the nineteenth century that Francis Place, (1771-1854) the benevolent "tailor of Charing Cross," found it very difficult to rouse them to co-operate with him in his campaign for the repeal of the Combination Acts. The results of that appeal, accomplished in 1824, did not, as we know, immediately justify all of the pacific predictions made by its sponsors, for there was a considerable outburst of the pent-up spirit of rebellion. Neither did it, as it transpired, remove all the legal obstacles to the organization of labor. But it nevertheless prepared the way for the more orderly development which we observe in succeeding periods.

3. LEADERSHIP

Mention of the work of Francis Place excites further inquiry as to just what share leadership, in general, has had in the evolution of unionism and of the other branches of the

[1] Cf. Webb, *op. cit.*, chap. ii; Hammond, *The Town Labourer, 1760-1832* (London, 1917), pp. 132-133; Wallas, *Life of Francis Place* (3d ed.) (New York, 1919), chap. viii.

labor movement. The leader in any movement corresponds to Galton's fore-ox among Damara cattle. He is one who has a penchant for independence and domination, combined, it is to be hoped, with an alloy of judgment and common sense. He is the man who is, outwardly at least, fearless in the presence of difficulties and dangers, perhaps because of confidence in his strength or because he has a plan of campaign. His power and importance as well as his method of appeal will, of course, depend upon the needs of the time and the comparative intelligence of his associates and followers. The leader's task is constructive rather than creative. He does not and cannot, in general, manufacture discontent or sentiment of any kind, but rather strives to bring it to a focus and to direct it to some purpose. In short, he makes himself a rallying point for organization, and, by making proposals that fall within the limits of toleration, is able to shape the course of history.

Into this niche we can fit the labor-leader. In popular thought and perhaps in his own estimation—for he is usually gifted with self-confidence—he is very important. The rank and file of labor has been, for the most part, too ignorant, too weary from its daily toil, and too long trained in subserviency to take the initiative in improving its lot. Massed together in its place of employment and often in its living quarters, it may have some dim conception of grievances and of common interests; but these need to be crystallized and given form. Labor must have leaders, whether they be blatant and self-seeking demagogues, or honest and discreet men imbued with enthusiasm for the cause. As with all our unschooled democracy, there is danger of too much hero worship, followed by disillusionment and suspicion. The man with the loud voice and the large vocabulary has too much influence. But at least there are manifestations of life and the spirit of revolt.

The workers were relatively late in developing and retaining their own leaders. Probably this method of recruiting them did not come to be the rule in either Great Britain or the United States until after 1860; and, for the same reason,

the labor movement was weak and voiceless. What happened in earlier periods was usually that the incipient leader soon graduated into a more fortunate class, and forgot his old comrades (still not an unknown occurrence); and leadership, so far as there was any, had to come from intellectuals, philanthropists, reformers, politicians, who volunteered to assume the rôle. The work of Francis Place and his friend Hume perhaps remains the best example of a real service for labor performed by men outside its own ranks. Robert Owen fathered the radical and sporadic labor movement of 1833-34 in England, and exerted some influence, chiefly of an emotional character, in the United States. Fergus O'Connor endeavored to enlist the British workers in the Chartist agitation of the late thirties and forties, setting up suffrage as the only hope of salvation. The Christian Socialists and other literary men and lawyers—Maurice, Kingsley, Thomas Hughes, John Austin, Ludlow, Hutton—lent their great talents to different aspects of the labor cause in the last half of the nineteenth century. And the Fabian and Guild Socialists of a more recent period—the Webbs, Bernard Shaw, Graham Wallas, S. G. Hobson, G. D. H. Cole, to mention but a few—have helped not a little to shape as well as to write labor history in England.

In America, Robert Dale Owen, "Fanny" Wright, and George Henry Evans were the intellectuals who participated in the first great outburst of labor agitation from 1827 to 1833; and Evans had the power to come back into the movement again, this time on a land-reform platform, in 1844. Albert Brisbane, the Fourierist, aided and abetted by Horace Greeley, was another of the labor lyceum performers of this middle period, as were also William Weitling, socialist, and Edward Kellogg, currency reformer. The line was continued into the last quarter of the century by Ira Steward, the eight-hour advocate, Henry George, single-taxer, Frederick A. Sorge, called the father of modern socialism in America, and numerous others.[1]

As to the value of such leadership to the labor movement

[1] Cf. Webb, *History*, pp. 134, *et seq.*, 174, *et seq.*, 215, 225, 246; Commons, *History*, vol. i, pp. 18-19, and *passim*.

there is much difference of opinion. The question has come up frequently in connection with the political aspirations and activities of labor; and it is especially involved with the origins of syndicalism and guild socialism. We should not forget that, as time passes, there are an increasing number of educated and professional people who are confronted with problems so nearly identical with those confronting the manual laborer that they may be given credit for having a real understanding of the movement and sincere sympathy for it. It would be a serious loss if these should be cast out as being mere interlopers. They have been valuable teachers and interpreters of the cause. But, for unionism itself, the services of the old type of reformers may well be doubted. Many of them were more interested in getting endorsements for their pet ideas than in the immediate welfare and advancement of the workers. They turned to the labor groups because these offered an audience and a soil of discontent. They led men astray after some will-o'-the-wisp quite as often as in the right direction. The best protection for the workingman against their blandishments lay in the very multiplicity and rivalry of ideas and projects which different ones advanced. So far as they performed real services to labor, these consisted in helping to arouse it from lethargy and discouragement, and in educating public opinion respecting bad labor conditions, rather than in the establishment of any effective or permanent labor organizations. The reformer is seldom also a statesman.

Genuine business unionism arrives only with the assumption of leadership by men who have not only sprung from the ranks of labor, but who still consider themselves to be of the workers, "bone of their bone and flesh of their flesh," ready and likely at any time to lay down the gavel or the pen, to put on the old jumper and overalls, and to return once more to the bench or the machine. Many union officials, in fact, still continue to work at their trade. The first important group of men of this class who came to the front in England, were those composing "the Junta"—William Allan of the Engineers, Robert Applegarth of the Carpenters, Daniel

Guile of the Ironfounders, Edwin Coulson of the Bricklayers, and George Odger of the Shoemakers—all of whom took the reins in their respective organizations about 1860, and who largely guided the trade union movement in Great Britain for the next two decades.[1]

Men of corresponding type and experience in America were William H. Sylvis, leader of the iron moulders after 1859; Jonathan Fincher, who led the machinists and blacksmiths in the sixties; Martin Foran, who formed the first national union among the coopers in 1870; P. M. Arthur, who for nearly thirty years, beginning in 1874, was chief of the Locomotive Engineers; John Jarrett, who became president of the Amalgamated Iron and Steel Workers in 1879, and who was one of the founders of the American Federation of Labor; Adolph Strasser and Samuel Gompers of the Cigarmakers—the latter for forty years head of the American Federation of Labor; and not least of all, although a younger man, John Mitchell, who was for so many years the idolized president of the coal miners.[2]

A third stage in the rôle of leadership, as related to the organization of labor, is now discernible, at least among the older unions. Just as in capitalistic enterprise the salaried official of a well-established corporation now performs many of the functions previously assumed by the courageous and far-sighted individual entrepreneur, so now, because of the efforts and sacrifices of the generation of leaders just mentioned, many of the unions have become so powerful numerically and financially that they are able to command and retain the talents not only of men from their own ranks, but of experts, lawyers, and executives from outside. Details as to the government of trade unions belong to another section of our study. Far the larger number of the servants of trade unions are still men who have a practical knowledge of the trade which they represent. A large proportion of them are prompted by idealistic motives. But certainly it may be con-

[1] Cf. Webb, *History*, pp. 203-204 and chap. v.

[2] Cf. McNeill, *Labor Movement*, p. 605, *et seq.*; Commons, *op. cit.*, vol. ii, pp. 7-8, 67-68, 75, 217, 321, *et seq.*

ceded that it involves no great sacrifice of one's personal ambitions to continue to serve a national union which pays $5,000 and upwards in salary to its president.[1] The development of a union civil service, with permanent salaried executives and specialized aids and experts, is much older in Great Britain than in the States, as, for example, in the case of the Operative Spinners and the coal miners; and Mr. and Mrs. Webb think it may well go much further than it has so far. The problems confronting the present-day labor organization, especially if it has developed elaborate insurance features, call for the best administrative and legal talent which money can hire.

4. PROPAGANDA

The growth of unionism no longer depends upon the initiative and self-sacrificing devotion of a few individual leaders. Organization begets further organization; and the growing interdependence of the workers in different sections and in different trades has driven the unions, for their own protection if nothing more, to send forth missionaries into the backward non-union or poorly organized regions, to shed abroad the light of the gospel. This has been the particular function of the great national unions since the beginning of their existence in the fifties and sixties; and, especially since about 1886, the task of the great central organization, the American Federation of Labor itself. The work of starting new locals and of periodically resuscitating the backsliders formerly devolved chiefly upon the national officers themselves, and is still commonly in charge of one or more vice-presidents. Many of the unions, however, have developed large staffs of organizers who devote part or all of their time—traveling expenses all paid—to the work of propaganda and organization. The American Federation has in recent years had from thirty to one hundred full-time, salaried organizers in the field, and in 1921, for example, spent more than $279,000 for

[1] The salary of the president of the United Mine Workers is $5,000. Mr. Gompers received a $12,000 salary. (*Proceedings*, 1924, p. 17.) In Great Britain the scale is much lower, £1,000 being exceptional and a salary of £400 or £500 about the average. (Webb, *History* (1920), pp. 588-589.)

organizing expenses.[1] The United Mine Workers has spent hundreds of thousands of dollars in the effort to swing the coal miners of West Virginia, Kentucky, Tennessee, Alabama, and Colorado into line.[2] The International Association of Machinists has at times had more than fifty special organizers at work, besides contributing liberally to the support of a considerable number of local business agents.[3] Joint organizing campaigns have sometimes been undertaken by related national unions together with the American Federation, a notable instance being the attempt to unionize the steel industry which culminated in the strike of 1919.[4] For the organization of women workers there have been in both Great Britain and the United States bodies (composed in part, it is true, of men and women not themselves manual workers) who are promoting organization as the best method of improving conditions.[5]

5. IMITATION

It has been the American custom to attribute any feature of our life or institutions which is deemed objectionable to a foreign source. And this has been the common attitude toward each manifestation of discontent on the part of labor and each branch of the labor movement, until it has got well beyond the infant stage and has been able to compel some measure of tolerance and respect. Labor unions, at the time of the trial of a group of tailors for conspiracy in 1836, were declared by the New York *Journal of Commerce* to be "mainly composed of foreigners."[6] And the same reproach has since fallen in turn upon the socialists and the I. W. W.

[1] Cf. *Proceedings*, 1921, pp. 23-25; *American Federation of Labor History*, 1919, p. 306.

[2] Cf. *Proceedings of the United Mine Workers' Convention*, 1918 (Indianapolis), vol. i, pp. 27, 43-44, 96-97, 198-203; also Weyforth, *The Organizability of Labor* (*J. H. U. Studies*, vol. xxxv (1917)), pp. 19-21.

[3] *Machinists' Monthly Journal* (Washington, March, 1917), pp. 261-264. The number of special organizers was reduced to twenty-five in 1917 in the interest of economy.

[4] Cf. Weyforth, *op. cit.*, p. 29.

[5] Webb, *History* (1920), pp. 494-497; Henry, Alice, in *American Labor Yearbook*, 1919-20, pp. 158-161.

[6] Cited by Mittelman in Commons, *History*, vol. i, p. 410.

But direct imitation, although not to be ignored, is at best only a secondary factor in social movements. It has probably had even less to do with the formation of unions in different countries than with the development of trusts and corporations throughout the industrial world. Competition has enforced a certain amount of imitation in the commercial field. Some traces of unionism have been noted on the continent earlier than in England; but the growth of unionism in France and Germany was much slower because of the later development of capitalism in those countries. When it did come, there were enough differences in structure and policy to indicate that this growth was chiefly indigenous and rooted in the immediate necessities of the French and German workers, and not something transplanted bodily from England. Probably these differences and the somewhat more businesslike leadership and machinery which French writers themselves have found in British unionism are attributable mainly to age and experience.[1]

Our labor-force in the United States, both skilled and unskilled, has been largely recruited from immigrants; and it was but natural that those chiefly of the "old" immigration, who came from countries where they had been schooled in organization, should take an active share in the establishment and conduct of American unions. Their sphere of operations, however, must have been chiefly confined for a long period to the handicraft or skilled trades—as, for example, among the Philadelphia cordwainers, who first organized in 1792, or in the printers unions, which we first hear of in New York in 1794, and which somewhat later grew up independently in Philadelphia, Baltimore, and Boston. We may doubt, in any case, whether they ever induced organization before the time was ripe for it.[2] Certainly, in the more recent period it has rather been the task of the unions to get foreigners untrained in unionism in their native countries to join hands and make common cause with them. The first union of the bituminous coal miners of the United States was formed in 1861 among

[1] Cf. Seilhac, *Syndicats ouvrières* (Paris, 1902), chap. i; also, pp. 133, 140.
[2] Cf. Saposs in Commons, *History*, vol. i, pp. 108-111.

a small group of British immigrants in Illinois; but it failed to survive the Civil War period.[1] Men of Welsh and English origin have been very prominent in the miner's affairs; but the United Mine Workers have paid any debt they owe to these pioneers by the admirable manner in which they have organized and welded together a heterogeneous mass of Slovaks, Poles, Magyars, Croatians, and Italians, to whom the word "union" meant nothing when they landed on these shores.[2]

Only two unions actually founded abroad are believed to have maintained branches in the United States: the Amalgamated Society of Carpenters and Joiners, and the Amalgamated Society of Engineers. Both of these have rapidly dwindled in importance as compared with the native organizations in the same trades.[3] Some kinship, especially in the emphasis upon political demands and in the establishment of a "Legislative Committee," may perhaps be discovered between the Federation of Organized Trades and Labor Unions formed in Pittsburgh in 1881, and the British Trades Union Congress.[4] But when this body was metamorphosed into the American Federation of Labor in 1886 its executive was considerably strengthened and the new central organization was assigned functions which in Great Britain until very recently have continued to be unsatisfactorily performed by three dis-

[1] Warne, *Coal Mine Workers* (New York, 1905), pp. 186-188.

[2] An analysis of the membership of all trade unions in Illinois as far back as 1886 showed that only 21 per cent were native born; but this does not necessarily imply that unionism itself was an importation. (Illinois Bureau of Labor, *Report*, 1886, p. 227, cited in Commons, *History*.)

[3] Cf. McNeill, *Labor Movement*, pp. 354, 375. The charter of the Engineers was revoked by the American Federation of Labor in 1903, at which time they had less than 2,000 members in the United States. (*American Federation of Labor History*, 1919, p. 478). The report of the "American Council" to the A. S. E. in England in 1916 showed 2,201 members. The parent body has long favored amalgamation of its American branches with the machinists' unions. (*Amalgamated Engineers' Journal* (London, June, 1916), pp. 20, 45-49.) The charter of the Amalgamated Carpenters was revoked by the American Federation in 1912 upon its refusal to combine with the United Brotherhood of Carpenters. At that time it had 7,800 members as compared with nearly 200,000 in the native union. (*American Federation of Labor History*, p. 478; *Proceedings of the American Federation of Labor Convention*, 1912, pp. 107-111.)

[4] Cf. Tracy, *History of the Typographical Union* (Indianapolis, 1913), p. 342, *et seq.*

tinct bodies.[1] At the present time those who undertake to point a lesson for labor in one country by reference to conditions or methods in another are by no means certain of a friendly hearing.

6. DEFENSIVE CHARACTER

Thus, neither mere contiguity, nor tradition, nor the work of agitators, nor the slavish imitation of foreign models will account for the rise and growth of unionism. Rather we are driven back to a consideration of its relationship to fundamental conditions and grievances.

Contrary to a widely held opinion, the average workingman is not obsessed by an overweening desire for change. The late Harry Thomas, progressive labor leader of Cleveland, stated as his conviction that, so long as conditions remain steady and regular, so long as he knows what he may expect, the worker is disposed to remain passive and reasonably content. He chooses to put up with the ills he has. But when changes in methods of production—machinery, division of labor, scientific management—threaten his hold upon his job; when fluctuations in business bring a capricious alternation of feverish prosperity and profound depression and unemployment; when the rise or fall of the price-level seems to nullify even the rules of arithmetic and to undermine his standard of living, then he becomes uneasy and seeks some form of readjustment, some power stronger than himself to protect him. The union is such a shield and defender, an organ for readjustment. Throughout its history unionism has been far more a defensive than an aggressive force. It is essentially conservative in its tendency, change-resisting rather than change-producing. Very likely in this we shall find its greatest strength and its greatest weakness.

[1] There is some evidence, however, that union leaders in America, as, for example, Mr. Gompers and Adolph Strasser in the case of the cigarmakers, have been able to learn from British unions in the matter of management, especially the financial management of their organizations. (Cf. Glocker, *Government of American Trade Unions* (*J. H. U. Studies,* 1913), p. 114; also, Commons, *History,* vol. ii, p. 307.)

The first unionists, we have noted, were skilled journeymen, and their efforts were for a long time directed to preserving from the wreck what they could of the old customary economy. They saw their chance of advancement to the position of masters decreasing; and meantime their position was being threatened and their wages depressed through the new methods and new labor introduced by the manufacturers. The handicraftsmen were slow to understand the real character and irresistibility of the change that was taking place both in industry and in the attitude of governments, which then, as now, largely reflected industrial interests. Hence in England throughout the eighteenth century we find them turning quite innocently and confidently to the government, petitioning for new protective legislation and for the enforcement of the old regulations respecting apprenticeship and the determination of wages which had been handed down from the Middle Ages. Only when Parliament, veering more and more toward a *laissez-faire* policy, turned a deaf ear to all their entreaties, and somewhat later even repealed all existing legislation for their protection, did the craftsmen realize that they must rely upon their own strength and resources. Then, so far as the Combination Acts permitted, they resorted to unionism and tried to safeguard their vested interests by economic methods.[1] Similarly, in the United States the chief complaint of the early printers' and shoemakers' unions was against the "competition of inferior workmen," disobedience on the part of employers to apprenticeship regulations, and declining wages. Failing in their effort to compel employers to restrict the number of apprentices, they demanded a minimum wage for all grades of workmen. Says David Saposs in discussing the history of unionism in America down to 1827:

> Our researches lead us to conclude that it was not, as many believe, the lack of opportunity to become independent producers that actuated the mechanics to form trade unions. On the con-

[1] Brentano, *History and Development of the Guilds and the Origin of Trade Unions* (London, 1870), pp. 102-113; Brentano, *Relation of Labor to the Law of To-day* (New York, 1891), pp. 44-80; Webb, *History* (1920), pp. 46-63.

trary, it seems that their only motive for organizing was to protect their standard of life as skilled mechanics.[1]

Naturally, the protest was much stronger in an old industrial country like England, where the former methods of manufacture were well established and still traditional, than in the United States, where the newer methods were accepted as a fact almost from the beginning of our industrial history, and where the chance to become independent, either in the same trade or in some other field, was so much greater.

Meantime in both countries the unskilled or semi-skilled workers—many of them women and young persons or foreign immigrants—drafted into the factories, were very slow in developing any strong organizations. Admitting at once their smaller capacity for organization, it is to be remembered that they also had less incentive to organize, since their status, with respect to wages at any rate, had probably been raised rather than lowered.

This same dependence of unionism upon a provoking cause is shown, also, in the periodicity that has marked its growth, and in the varying temper manifested and tactics employed by it in these different periods. The most rapid growth of unionism has, in general, occurred during periods of business prosperity and rising prices; and there has quite uniformly been a decline in membership, or at any rate a slackening in the rate of growth, during periods of depression and of falling prices. Likewise, although generalization here is more hazardous, in periods of prosperity and high prices the spirit and methods which have come to the front in the labor world have been chiefly those characteristic of business unionism (that is, unionism proper); whereas during the lean years when business has been dull and hard times have appeared the workers have shown a tendency to lose confidence in conciliatory methods and collective bargaining, and to hearken more willingly to the persuasive eloquence of the socialist or political reformer.

A rapid survey of the chief periods in union development in Great Britain and the United States will bear this out.

[1] Saposs in Commons, *History*, vol. i, p. 104. Cf. also, pp. 114-118.

The years of most rapid growth in the former country down to the year 1892, according to Mr. and Mrs. Webb, fall into three periods: 1833-34, 1871-74, and 1889-92, with a less spectacular revival of organization in the period of 1850-57. All of these were years of active trade and, at least throughout the greater part of their course, of rising prices.[1] The most rapid increase in the membership of British unions, however, has come since 1897, and particularly since 1910. The number of members almost doubled between 1910 and 1918. From about 4,000,000 at the beginning of the War in 1914, it had increased to almost 8,000,000 in 1920.[2] Admitting that organization was more or less artificially stimulated by favorable legislation (such as the National Insurance Act of 1911, "which practically compelled every wage-earner to join an Approved Society of some kind,")[3] yet the major influences at work were undoubtedly the intense business activity that characterized the greater part of the period, and the great difficulty which the workers and consumers in general have had in keeping up with the rising cost of living.[4]

Periods of depression are no less instructive. The rapid decline of the Owenite unions after 1834 was attributable more to the hasty manner of their formation and to impractical and imprudent leadership than to the state of business. They were not strictly business unions but an anticipation of the syndicalist organizations of a recent period.[5] Those unions which survived this inevitable disillusionment, however, and

[1] Webb, *History* (1920), pp. 155, *et seq.*, 180, *et seq.*, 325, *et seq.*, 405, *et seq.*; Burton and Selden, *A Century of Prices* (New York, 1919), table opposite p. 42; Fisher, *Purchasing Power of Money* (New York, 1912), pp. 238-246. The general course of commodity prices from 1809 to 1849 was downward, but there was an upward turn from about 1833 to 1837. After the gold discoveries in California in 1849 and those in Australia in 1850-52 there was a rise in prices which continued until 1873 or 1874. From 1873 to 1896 the general course of prices was again downward, but there is a hump in the curve for England between 1885 and 1892.

[2] Webb, *op. cit.*, pp. 473, 750; Lloyd, *Trade Unionism* (London, 1921), p. 235.

[3] Webb, pp. 475-498; *Monthly Labor Review* (Washington, January, 1920), p. 45, *et seq.*

[4] The rise in prices in England from 1897 to 1914 was about 25 per cent; from 1914 to 1918, about 125 per cent. (Burton and Selden as above; *Monthly Labor Review*, January, 1920, p. 95.)

[5] Cf. Lloyd, *op. cit.*, p. 12, *et seq.*

some which had never adhered to the Owenite doctrines, suffered heavily in the business collapse and depression which lasted from 1837 to 1842. It was during this latter period that Chartism, the agitation for political rights and emancipation, held supremacy over unionism.[1] The ill-advised strikes and the disorganization which came also with the crisis of 1857 had at least this beneficent result, that they gave the "Junta" their opportunity for directing union energies during the succeeding decade toward building up strong insurance or reserve funds and agitating for political reforms.[2] In the disruption which followed the panic of 1874 and which by 1879 approached an almost complete rout of labor forces, most of the gains of the previous years were swept away. This, in turn, prompted the abandonment of the doctrine of *laissez-faire,* which, in common with most British statesmen, had been held by the larger number of union leaders, and the permeation of the whole labor movement by socialist ideals taught by H. M. Hyndman, William Morris, John Burns, Tom Mann, Ben Tillett, and other followers of Marx. These men found the time auspicious for discounting and discrediting the "sick-and-burial-club" type of unionism represented by the "Junta," and for appealing to the hitherto neglected masses of the unskilled. It was one of the several waves of "new unionism."[3] Succeeding periods of depression (1892-96, 1902-04, 1908-09, and 1921-22) have likewise brought decline in union membership. The Southport Trades Union Congress in September, 1922, was compelled to report a loss of nearly a million members since the meeting of 1921.[4]

But one consolation unionists, both in Great Britain and America, have had in these more recent periods, that the losses have been proportionately much less severe than those

[1] Webb, pp. 173-174.

[2] Webb, pp. 227, *et seq.,* 232, 234, 240.

[3] Webb, pp. 342-350, 374, *et seq.*

[4] *The General Council's Report to the 54th Annual Congress* (London, 1922), p. 1. The membership affiliated with the Trades Union Congress in 1924 was 4,328,235 as compared with 6,505,482 in 1920. (*Labour Year Book,* 1925, p. 480.)

of the thirties and seventies.[1] Partly through more developed insurance features, partly because the members have now a clearer conception of the advantages of organization, and partly, no doubt, because employers have more and more come to recognize the unions as permanent institutions with which they have to deal, the bond of unionism has become stronger and is less easily broken.

The periods of union growth and decline in the United States, as a natural consequence of the similarity in the trend of prices and in industrial conditions in the two countries, are very much the same as in Great Britain. Local organizations among printers and shoemakers in the principal cities, we have seen, were the first and, down to 1820, the only labor organizations in America. The first signs of a real awakening came in 1824 and 1825, when the revival of business, after the panic of 1819, had reached its full tide. New methods of production were then being more rapidly introduced by the merchant-manufacturers and threatened the habits and customary mode of living of the workers. The pressure was also increased by rising prices. Hence a number of strikes for higher wages and the rise of organizations, not only among the journeymen, as hitherto, but even among the factory and women workers. The latter class may not have felt the changes in method detrimentally but did suffer from the high prices.[2]

Circumstances, however, soon conspired to divert this early enthusiasm and protest into political rather than economic channels. The ballot was at this time a new and untried weapon for the workers, and extravagant hopes were entertained as to the transformation that could be accomplished through its use.[3] The political pot was kept seething quite actively during the Jacksonian epoch, and no class or group could long keep aloof from it. Conspiracy cases and other grievances which seemingly only legislation could remedy weighed heavily upon the lives and efforts of the working-

[1] Webb, pp. 473, 750.
[2] Saposs in Commons, *History*, vol. i, pp. 154-157.
[3] Cf. *infra*, p. 450.

people. But, most important of all, prosperity proved short-lived and a period of depression, falling prices, and widespread unemployment came in 1828-29. Workingmen's parties voicing educational and reformatory demands chiefly absorbed the attention and energies of labor in Philadelphia, New York, and other cities during the next three years.[1]

Jackson's victory over the United States Bank in 1833 ushered in a period of bank-note inflation and fictitious prosperity that again greatly stimulated the growth of unions. The number of unions in Philadelphia increased from twenty-one in 1833-34 to fifty-three in 1836; fifty-two new societies appeared in New York, and twenty-three in Baltimore in the same period. The success of the "Female Society for the Protection and Promotion of Female Industry" of Lynn, Massachusetts, in opposing a further reduction in wages in 1833, and the organization of women in the needle trades of several other cities, shows how the movement was broadening.[2] Strikes for higher wages were a common occurrence after 1835. The declaration made by a meeting of "mechanics and laborers" in New York in February, 1836, has a strangely modern ring to it. They said:

> It is evident to every intelligent person that for several years past, such has been the enormous increase in the rent of houses, and the extraordinary rise in the price of all necessaries of life, that it is morally impossible for any honest mechanic or laborer to support himself and family creditably.[3]

The Philadelphia cordwainers used almost identical language in asking for an increase in wages that would, it was estimated, bring them up to $5.64 per week. The employers refused to grant this apparently reasonable demand, even after a strike of three month's duration.[4] Indeed, it was during this period before the crash came in 1837 that we find the first steps taken toward the integration or central organization of labor unions. "Trades' Unions," corresponding to

[1] Sumner, Helen, in Commons, *History*, vol. i, p. 169, *et seq.*
[2] Mittelman in Commons, *History*, vol. i, p. 347, *et seq.*
[3] New York *Courier and Enquirer*, February 29, 1836, quoted in Mittelman, *op. cit.*, p. 396.
[4] Mittelman in Commons, p. 398.

the present central labor unions, were formed in at least thirteen cities by 1836. At least five trades, including the printers, held so-called national conventions and were somewhat loosely organized on a national basis between 1835 and 1837. A "National Trades' Union" met in New York in 1834 and continued during the two succeeding years to hold conventions and to give expression to some of the general aims of labor.[1]

Almost nothing of all these magnificent beginnings was able to weather the storm which now broke upon the industrial world. The New England Workingmen's Association, of whose first convention we hear in 1844, the succession of "Industrial Congresses," state and national, which presented a rival attraction in 1845 and for nearly a decade thereafter, and most of the other labor bodies of the forties, appear to have been little more than open forums for land reformers, associationists, politicians, and socialists. In so far as the workers themselves voiced any aspirations during this period, as in the ten-hour movement, these were political and co-operative rather than trade union in their character and method.[2]

Then came the magical gold discoveries in California and Australia, a rise of 20 per cent in the general level of prices during the next few years, and the rapid revival of industry and trade. Labor quickly arose from its bed of Utopian dreams, and established organizations of a more businesslike and enduring form than in any period hitherto. Reformers were given their walking papers; Weydemeyer, the Marxian socialist, could not get a hearing in 1852-53. Employers, who had up to this time often been members of unions, were no longer welcome; and class as well as trade lines were more strictly drawn. More than 400 strikes, chiefly for readjustment in wages and involving nearly every trade in all the larger cities, occurred in the two years 1853 and 1854. There was evident a growing solidarity, both among local unions in

[1] Mittelman in Commons, vol. i, pp. 357, *et seq.*, 438, *et seq.*, 424-437. Cf. Barnett, *The Printers* (*American Economic Association Publications*, vol. x (1909)), pp. 23-25.

[2] Hoagland in Commons, vol. i, pp. 487-574.

the same trades and among different trades in the same locality. The first national union which has come down to us, that of the printers, was formed in 1850; and several others came before the close of the decade.[1]

Yet the reaction in business which came in the winter of 1854-55, and which threw nearly half the workmen in many trades out of employment, soon showed how weak and insubstantial labor organizations still were. And the panic of 1857 went far to complete the process of disintegration.[2]

The Civil War, with its huge and hurried demand for manufactured goods, was a period of great prosperity for many business men. Indeed, in many lines—shoes and iron and steel, for example—it marks the beginning of large-scale production and the factory system. Labor, however, did not largely share in this prosperity. Its ranks in the North were, it is true, depleted to the extent of perhaps a million by entrance into military service, and employment for those who remained behind was good. But the inflation of the currency by the issue of $400,000,000 in greenbacks, and the lop-sided production which war always causes, brought a tremendous rise in the cost of living. Labor unions were therefore spurred to renewed activity. The number of local organizations of which we have record (necessarily incomplete) increased from seventy-nine in December, 1863, to 270 in December, 1864, fifty-three trades being represented. Trades' Assemblies were formed in all of the large industrial centres, for the purpose of lending financial and moral support to local unions in time of strike and of promoting more perfect organization. Many new national bodies also date from the Civil War period. Strikes, which were again chiefly for the adjustment of wages, were perhaps not so numerous as we might expect from the number and the newness of unions. The reasons probably were partly that employers were making good profits and more readily admitted the justice of the demands made; and partly that then, as in our recent war,

[1] Hoagland in Commons, vol. i, p. 575, *et seq.*
[2] *Ibid.*, vol. i, pp. 613-614.

a strike that interfered with the production of essentials was considered disloyal.[1] That the union movement was still defensive in character is borne out by wage statistics. Wesley Mitchell estimates that, in spite of the relative success of the unions, the inflation of the currency during the war involved a tax "amounting to the confiscation of perhaps a fifth or a sixth of real incomes." [2]

During the long period of reconstruction the swing of labor sentiment was, as in the forties, toward the political and humanitarian pole. It centered less exclusively upon wages and more upon such questions as the hours of labor, immigration, currency reform, and co-operation. Following the war the labor market was depressed by the return of the soldiers and the influx of foreigners. For more than thirty years, owing principally to changes being made in the monetary systems of the world, the general tendency of prices was downward. A series of prolonged depressions with much unemployment and radical reductions in wages made the time one of gloom and uncertainty for the workers. The panic of 1873, which was one of the most disastrous that the country has ever experienced, and the depression which lasted until 1879, had the usual disrupting effect upon unionism. All but eight or nine of the thirty national unions that had been forming in the previous decade were compelled to suspend operations; and these few survivors were much depleted in membership. The shrinkage in the number of unionists in New York City, for example, was from about 44,000 in 1873 to about 5,000 in 1877. By 1878 it is thought there were hardly more than 50,000 union men in the whole country.[3] Strikes proved quite unavailing as a weapon of defense. Little wonder, therefore, that William H. Sylvis, Andrew Cameron, Terence V. Powderly, and other labor leaders of the period should scout the value of "pure and simple" unionism, and direct the thoughts of the workers toward more

[1] Cf. Andrews in Commons, *History*, vol. ii, pp. 13-26.

[2] Mitchell, *History of the Greenbacks* (University of Chicago Press, 1903), p. 351.

[3] Andrews, *op. cit.*, p. 175, *et seq.*

general and, what seemed to them, more fundamental reforms.[1]

We may pass rapidly over that succession of idealistic central organizations which rose and fell during this distressful era. The first of these was the National Labor Union, formed at a labor congress held in Baltimore in 1866 with Sylvis as its dominant personality. As already intimated, it stressed legislation and is given credit for exercising considerable influence toward the passage of the first national eight-hour law in 1868. But its machinery was very imperfect; its officers were unsalaried and without much power, so that it was practically in existence only when it was in convention. It represented the trades' assemblies of the principal cities rather than the crafts themselves; and when somewhat better economic conditions came in 1868 the unions showed less and less interest in the nostrums it presented, and withdrew from it. It died in the presence of a few devoted friends at the congress of 1870 in St. Louis, without leaving sufficient funds to give it decent burial.[2]

The Industrial Congress, or, as it came to be known, the Industrial Brotherhood, called by four national unions early in 1873, represented some advance at least in point of structure. What it might have become under more auspicious circumstances we cannot know. But the national unions which were to constitute the basis of the new federation were themselves engaged in a life-and-death struggle, so that only the Typographical Union was represented at the third and last congress in 1875. Indeed, its constitution and platform

[1] Andrew Cameron, editor and publisher of the *Workingman's Advocate* (Chicago), probably the most influential labor paper of the time, declared in an editorial entitled "Eight Hours: Strikes or Legislation" that all strikes for shorter hours had resulted in uniform defeat and argued for the method of legislation brought about by an independent labor party (August 18, 1866). W. H. Sylvis, then president of the National Labor Union, said in a letter written in 1869 to the New York Workingmen's Assembly: "I have long since come to the conclusion that no permanent reform can ever be established through the agency of the trade unions as they are now and have been conducted. They are purely defensive in their character. . . . All the evils under which we groan are legislative." (*Workingman's Advocate*, Febuary 13, 1869.) Cf. Powderly, *Thirty Years of Labor* (Columbus, 1889), pp. 62, *et seq.*, 78, 79; Andrews in Commons, vol. ii, p. 96, *et seq.*

[2] Andrews, *op. cit.*, p. 153; Powderly, *op. cit.*, pp. 92-104.

are chiefly important because its mantle fell upon the Knights of Labor, the great central organization which dominated the labor world from its first General Assembly in 1878 down to about 1890.

The Knights of Labor is a good example of the effects of early environmental influences. It had its origin in the reorganization of a garment workers' union in Philadelphia late in the year 1869 under the leadership of Uriah Stevens. Other locals were first formed in Philadelphia; then after 1873 the "Order" spread throughout Pennsylvania, especially among the miners, and still later to other industrial centers. Its greatest growth was made in the eighties, when it attained a membership variously estimated at from 500,000 to 1,000,000.[1] Its structure and policies, however, had been largely shaped and fixed in the less fortunate decade of depression that preceded. That first "local assembly" of garment workers in Philadelphia and the spirit instilled into it and into other early assemblies by Uriah Stevens set a model that was largely adhered to throughout the history of the organization. Of this origin were the device of secrecy and the system of cabalistic signs and ceremonies that recalled the old guilds of the Middle Ages.[2] The first assembly, likewise, in the second year of its existence admitted as "sojourners" several applicants of other trades than garment-making; and what was thus apparently a temporary makeshift came to be exalted into an ideal. Uriah Stevens, Terence V. Powderly, and other leaders are found eulogizing the "mixed assembly" as the radiant triumph of a truly democratic and brotherly spirit over the "narrow selfishness" of the trade unions.[3] The open and indiscriminate hospitality of the order was expressed in the motto (borrowed along with its preamble and platform from the Industrial Brotherhood): "An injury to one is the

[1] Cf. Wright, Carroll D. (testimony), *Industrial Commission Report* (Washington, 1900), vol. vii, pp. 9-10; Burke, *History of Central Labor Unions* (*J. H. U. Studies*, 1899), p. 38; *Journal of United Labor* (organ of the Knights of Labor), December 25, 1886, p. 2233.

[2] These were abandoned after 1881 because they aroused suspicion and opposition, particularly on the part of the Roman Catholic Church. (Powderly, *op. cit.*, pp. 134-139, 147.)

[3] Cf. Powderly, *op. cit.*, pp. 143-144, 155-157, 165-168, 171, etc.

concern of all." It addressed its appeal especially to the oppressed and hitherto neglected unskilled worker; but persons not really of the wage-working class were also made welcome, exceptions being made only of liquor dealers, lawyers, bankers, professional gamblers, and stock-brokers. Certainly, the order was nothing if not democratic. The philosophy of life that could appeal to such a heterogeneous and unassimilated constituency in a time of industrial unrest was necessarily somewhat vague and roseate. The Children of Israel are said to have evolved the idea of Heaven as a kind of sedative while they were in captivity in Babylon. The great purpose of the Knights of Labor was frequently stated to be educational, to prepare the way for a better and happier social and economic order. The local and district assemblies were to be schools of citizenship, but were none the less warned against participation in politics; they were to discuss the interests of the workingman, but were discouraged from engaging in strikes and boycotts. The land question and the evils of monopoly received much attention; and producers' and consumers' co-operation, combined with the public ownership of all public utilities, were uniformly endorsed. Most of the concrete proposals made were such as involved legislative action.[1]

Several causes have been assigned for the rapid decline and ultimate disappearance of the Knights of Labor. Most of them can be summed up in the word "unbusinesslike." In the absence or abeyance of trade union organization, the workers flocked to the "Noble Order" in great numbers, attracted by its great name and its glittering if somewhat indefinite promises. The depression of 1884-86 brought the greatest influx. But it could not survive prosperity. When business began to pick up again in 1886 and 1887, and when their own unions were resuscitated, the skilled workers were quickly disillusioned. Perhaps after all, the ideals of the Knights were, like those of Arthur's Round Table, "too wise and good

[1] Cf Powderly, *op. cit.*, pp. 223-245, 274, *et seq.*, 329, *et seq.*; *Journal of United Labor*, August 10, 1884, pp. 763-764; Wright in *Industrial Commission Report*, vol. vii, p. 94; Perlman in Commons, vol. ii, pp. 195-202.

for human nature's daily food." Their meetings, full of contention and controversy, were discovered to be "windstorms without results"; and the mixed assemblies proved ill adapted for the discussion of trade matters or the conduct of strikes. Jurisdiction disputes arose between the Order and the unions, and it was accused of harboring "rats" and "scabs."[1] A great number of unauthorized and, for the most part, unsuccessful strikes and boycotts undertaken by those restless spirits who wished "something right away" drove the Master Workman to despair.[2] As early as 1885 lists of new assemblies in the *Journal* are balanced by other lists of expulsions for "conduct unbecoming a Knight," embezzlement, forgery, etc.[3] At the General Assembly in Richmond in October, 1886, a resolution was passed which obliged members of the Cigarmakers International Union to leave the Order.[4] Belated efforts to conform to the demand for organization along trade or at least industrial lines, by permitting the formation, within the ranks, of trade assemblies (authorized by the General Assembly in 1884), only made matters worse, because they gave rise to dual organizations.[5] Finally, because of the frequent and oftentimes disorderly conflicts into which it was drawn, the name of the Order became "an hissing" with both employers and the public, and it lost what little effectiveness it had ever had for collective bargaining.

In all this, however, we have been practically forced by the relative abundance of information respecting these more public and spectacular aspects to give an undue importance to the great central organizations. Meantime the different

[1] Tracy, *History of the Typographical Union*, pp. 383, *et seq.*, 397, *et seq.*; *American Federation of Labor History*, 1919, pp. 44-45; Perlman in Commons, vol. ii, pp. 352-353, 396, *et seq.*, 482-488.

[2] Cf. *Journal of United Labor*, January 10, 1886, p. 1167; February 25, 1886, pp. 2206-2207, etc.; Perlman, *op. cit.*, p. 366, *et seq.*

[3] *Journal*, October 10, 1885; October 25, 1885, p. 1115; May 25, 1886; etc.

[4] Powderly, *Thirty Years*, pp. 641-643; Perlman in Commons, p. 401.

[5] Perlman in Commons, pp. 344-355, 399, *et seq.*, 425-429. A national trade assembly of miners was formed May 20, 1886, at St. Louis and all locals composed of miners were urged to attach themselves to it. (*Journal*, July 10 and July 25, 1886, pp. 2113, 2179.) But this was after the miners themselves had formed a National Federation independent of the Knights. Powderly was consistently opposed to all such assemblies. (Cf. Perlman, pp. 425-426.)

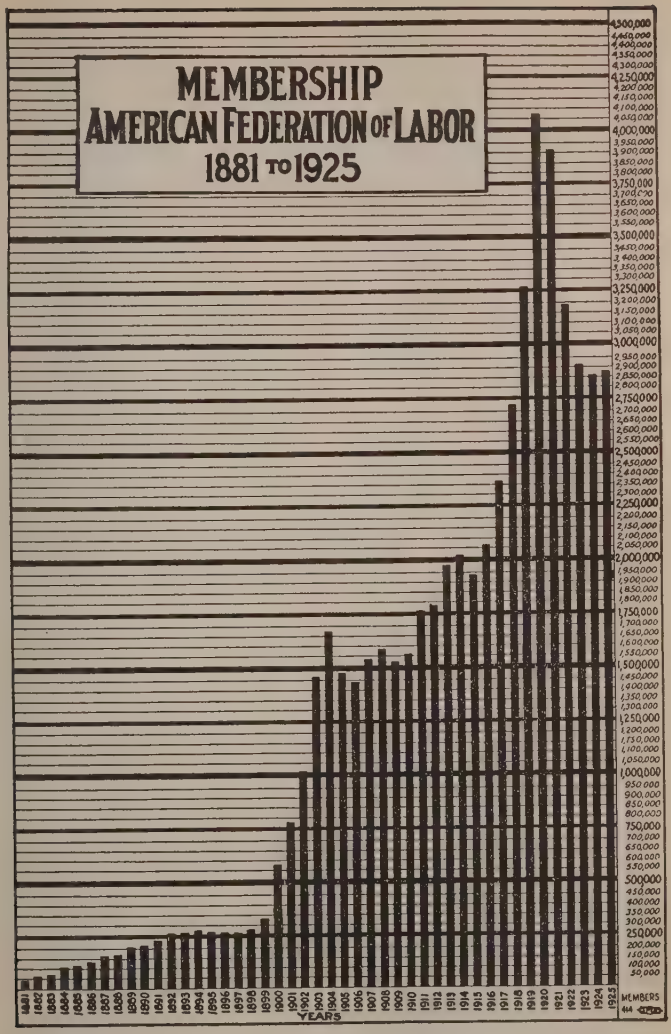
trade unions, the real business units of the labor movement, had been increasing in number and, as conditions favored, extending their control over their respective crafts. Such skeleton organizations as had been inherited from the seventies were revived and put back into commission during the wave of prosperity and of rising prices that came in the early eighties. Some twelve new national unions were organized between 1880 and 1883, so that the total union membership in the latter year is estimated to have been 225,000. By 1885 it had become 300,000, six times the estimated membership in 1878.[1] Because employers at this time were naturally eager to make hay while the sun shone, and were therefore more able and willing to make concessions, strikes were not so numerous and those undertaken were more uniformly successful.[2]

Upon this basis came to be erected a great central body which could give more effective and consistent expression to trade union objects than any hitherto. The American Federation of Labor has chosen to give 1881 as its birth-year. But, as already intimated, the "Federation of Organized Trades and Labor Unions" formed in that year seems to have been a very different organization, in both form and functions, from the one with which we are now familiar. In fact, the men who issued the call for a convention in Pittsburgh in November, 1881, were not all of them trade union men, although it is true that several officers of the more advanced unions (notably those of the Typographical Union and the Cigarmakers, who had been corresponding with one another for some time concerning the desirability of a federation) quickly came to the front and assumed control of the gathering. But chief stress, both in the call and in the platform and machinery adopted by the new body, was laid upon legislative aims and possibilities rather than upon the task of spreading trade union principles and organizations.[3] . The unions, indeed, gave it meager support during the five years of its existence. Difficulties over jurisdiction, which became

[1] Perlman, *op cit.*, pp. 307-314.

[2] Perlman, pp. 316-317, 367.

[3] Perlman, *op. cit.*, pp. 318, *et seq.*, 376, *et seq.*; Tracy, *History of Typographical Union*, p. 323, *et seq.*



Taken by permission from the annual report of Secretary Morrison. *Proceedings of the Forty-fifth Annual Convention of the American Federation of Labor*, 1925, p. 22.

more pronounced when prosperity received a setback, and the realization that peaceful relations with the dominant faction of the Knights of Labor were no longer possible, eventually induced twenty-five of the national unions to participate in a convention held at Columbus, Ohio, late in 1886, and to establish a federal organization that meant something.[1]

The American Federation of Labor, as we shall see more fully later, retains a goodly number of legislative proposals. But its essentially business character is indicated in the preamble and declaration of principles which were adopted in 1886, and which have since remained largely unmodified. It fixes as its constituency "every trade and labor organization in America organized under the Trade Union system"; and it puts first among its objects "the encouragement and formation of local trade and labor unions."[2] It is now the central organ of practically every union in the United States and Canada except the railroad brotherhoods.

The accompanying chart showing the progress of the Federation and of its constituent unions in membership gives final confirmation to the proposition with which this historical review began: the parallelism of union growth with the state of business and with changes in the level of prices. Practically all of that growth has been made during the era of rising prices which began in 1898. In the dull years from 1893 to 1897 the unions affiliated with the Federation barely held their own, with but little over 250,000 members. Then the membership shot rapidly upward, reaching 1,650,000 in 1904. The secondary financial crisis of 1903-04 brought a check in growth, and the influence of the panic and depression of 1907-08 is apparent, although in each period the tenacity of the union bond is shown by a retardation between the cause and the effect. Another slight interruption came in 1914-15 because of the depressed state of business at the beginning of the World War. From 1915 to 1920, however, during which period the business world was in a state of

[1] *American Federation of Labor History*, 1919, pp. 44-45; Perlman, *op cit.*, pp. 402-413.

[2] *Constitution of the American Federation of Labor*, preamble and art. II.

activity approaching intoxication, and the cost of living advanced about 100 per cent, the membership of the unions belonging to the American Federation practically doubled.[1] The favorable attitude of the government in publicly controlled industries also helped. At the convention of June, 1921, Secretary Morrison reported nearly 4,000,000 members.[2] It is significant, also, that in more than two-thirds of the strikes occurring from 1916 to 1919, inclusive, wages were a leading or a concomitant cause.[3] The adverse effect of the unemployment and business depression of 1921-22 was shown here, as in England, by a decline of about a million in membership.[4]

As to which of the three distinguishable forces or conditions provoking or stimulating the organization of labor—whether changes in the methods of production, or price movements, or the succession of prosperity and depression which characterizes the business cycle—is the most important, there is considerable difference of opinion and of emphasis among labor historians. The first, as we have seen, prompted the early journeymen's associations, and has remained the chief target for some of the restrictive policies of labor unions. Of the other two, Professor Commons and his associates, although not neglecting either, assign greatest weight to price movements.[5] Mr. and Mrs. Webb in England, and Dr. Weyforth and Dr. Wolman in their studies of the growth of American unionism, emphasize rather the effect of business conditions.[6]

The truth is, of course, that rising prices, however caused,

[1] Dr. Weyforth has made an interesting analysis of parallelism between union membership in New York State and the production of pig iron in the country, taking the latter as an index of business conditions. (*Organizability of Labor, J. H. U. Studies,* vol. xxxv (1917), pp. 243-247.) He finds a retardation similar to that above noted (p. 247).

[2] *Proceedings,* 1921, p. 29. The war-period was so abnormal that it is inadvisable to stress either growth or shrinkage too much. Cf. Wolman, *Growth of American Trade Unions, 1880-1923* (New York, 1924), esp. p. 39, *et seq.*

[3] Whitney, "Strikes and Lockouts in the United States, 1916, 1917, 1918, 1919," *Monthly Labor Review* (Washington, June, 1920), pp. 199, 218.

[4] *Proceedings,* 1922, pp. 24-26.

[5] Cf. *History,* vol. i, pp. 348-350, 395-401, 488, 582; vol. ii, pp. 5, 14-15, 17-18, etc. Cf. also, Hoxie, *Trade Unionism,* pp. 81-87, for emphasis on the price factor.

[6] Webb, *History,* p. 345, *et seq.;* Weyforth, *op. cit.,* chap. ix; Wolman, *op. cit.,* pp. 33, 37, 39. Lloyd (*Trade Unionism,* 1921, pp. 43-44) gives much credit to rising prices for the growth in Great Britain since 1900.

have a stimulating effect upon business enterprise; that employers at such times are so eager to keep their plants running full blast that they are willing to make liberal concessions to their men in order to avoid stoppage through strikes; that the union occupies a strategic position in compelling the employer thus to share, and finds it easier not only to hold old members in line but to win new ones.

But jealousy of the employer's supposed profits is not the only nor even the main motive for organization. Rather, as our analysis of wage-statistics has shown, men join the union and look to it for help principally to overcome the tendency of wages to lag behind prices. When prices are rising and wages fail to follow suit, even the unskilled laborer and the woman who has entered industry as a stop-gap feel the pinch as well as the skilled and settled craftsman, and turn a more attentive ear to the labor organizer. The rise of great industrial unions, some of them with extremely radical tendencies, has occurred in both England and America during the era of rising prices. And the prominence given to the wage-question in labor controversies during the last quarter of a century points in the same direction.

Indeed, those early labor leaders and reformers, like Weitling, Kellogg, Sylvis, and Cameron, were at least half right when they found a panacea for the ills of labor in currency and banking reform. A more stable monetary system, preventing those capricious price fluctuations to which we have been subject throughout the greater part of our national history, or, if that were impossible, the discovery and use of a more automatic and more just method of bringing wages into conformity with the cost of living, would have gone very far to remove the chief cause of discontent and to check the growth and the activities of unionism.

CHAPTER X

EVOLUTION: STRUCTURE AND GOVERNMENT

1. IMPORTANCE OF STRUCTURE

EVOLUTION implies a process of adaptation and a struggle for survival. The organism or the organization must have a certain framework and ordering of parts by which it is enabled to carry on its functions and to establish contact with the outside world. Biological evolution was a tremendously wasteful process. In the interests of true progress it is important that in the realm of social and economic evolution the structure should remain plastic and flexible, and that such changes as are necessary to adjust the form and type of organization to new conditions and the expression of new wants should be made gradually from within rather than violently from without. Only so is it possible for the new order to absorb all that was wise and valuable in the old.

Industrial evolution shows at least this much parallelism with evolution in the plant and animal world, that the structure of industrial groups and organizations has undergone a process of integration, on the one hand, resulting in larger and more inclusive units, and of differentiation, on the other hand, resulting in specialization and a more complex and intricate interdependence of parts. Business enterprise has passed from the individual or family undertaking to the partnership; from this, in turn, to the joint stock company and the corporation; and ultimately, in many lines, to the huge trust or combination seeking to dominate the whole area of production and sale. Specialization and division of labor have been a necessary accompaniment of the factory system. In large organizations like the United States Steel Corporation, the great rubber companies and many others,

we see an increasing tendency for all steps and stages to come under a single ownership and management. Thus differentiation and integration go along together.

How is it with labor? How far has it kept pace in its structural development with the growth of commerce and the expansion of capitalistic organization?

If we agree that collective bargaining on a business basis is the primary function of unionism, certainly the scope and structure of the unions should, as nearly as possible, correspond to the scope and structure of capitalism, meeting it squarely all along the front. Mere size and numbers are not, to be sure, identical with strength. But, broadly speaking, the area or organization should approximate the area of competition between wage-earners or groups of wage-earners and between the commodities which they help to produce; and the closeness or looseness of the bond between different groups should be determined by the degree of intimacy or interdependence of the interests to be protected. All those working at a given trade within the market area should be closely affiliated, so that they may co-operate in all their demands and activities. Adequate organs of expression should also be developed for those interests which different groups of workers in the same industry or in related industries have in common, or, what is quite as important, for removing or settling those chances for friction and dispute which are so likely to arise under such circumstances. Finally, there must be such facilities for communication and the interchange of ideas as will raise the intelligence and promote the harmony of the whole labor movement. Thus, both territorial and industrial organization and integration are needed. Otherwise the policy of "divide and conquer" will be an easy one for employers to follow.

2. NATIONAL ORGANIZATION

The first steps toward labor organization we have seen to be both spontaneous and persistent wherever the conditions demand them. More tardily and with many false starts and repeated setbacks, most of the trades have met the territorial

requirements, also, and perfected organizations national and even international in scope. Shop organizations growing naturally out of the close association of men in the same workplace and under the same employer could not long suffice. In certain small crafts, such as that of the print-cutters, or where the industrial enterprise itself is large and relatively isolated from others of the same sort, as in the coal mines and some window-glass factories, the shop or pit may still be the local unit of organization.[1] The survival of the unofficial printers' "chapel" and the great importance which has in some places been given to the shop steward—notably in Great Britain during the period of the War and reconstruction [2]—indicate that even in other trades the shop retains a place as an administrative unit. It is there that the common rules and standards are to be applied and enforced.

But if it is impossible for the individual workman to protect his interests against his employer, it quickly becomes impossible likewise for a small or relatively small group of workers, acting alone, to secure and maintain good conditions. Experience soon teaches that a ticklish independence or narrow pride is suicidal. When the goods upon which men in a given shop are working come into competition, more or less active, with goods made in other shops nearby or distant; when the very orders which they are engaged to fill can, in case of a wage-dispute, be given out to some other shop where the workmen are perhaps more docile; or when their own places can be readily filled by workmen from outside not belonging to their organization, then it is high time to be neighborly and even cosmopolitan in one's point of view. The guilds themselves had made the locality the unit; and undoubtedly the first journeymen's associations had a similar if not already a broader scope. The market was still largely local, and fear or a cat-like fondness for the spot of one's birth kept workmen from migrating very much from place to place. But the tremendous expansion of commerce which

[1] Cf. Glocker, *Government of American Trade Unions* (*J. H. U. Studies*, 1915), pp. 9-13.

[2] Cf. Lloyd, *Trade Unionism*, pp. 242-245; Murphy, J. I., in Gleason, *What the Workers Want* (New York, 1920), pp. 184-211.

came with the Industrial Revolution, and which was so large a factor in bringing it about, soon demanded a broader basis of organization. The merchant-manufacturer quickly invaded all of the "sleepy hollows" of the old handicraft economy, and was truly a disturbing force. Faced with insecurity, both from the introduction of machinery and "inferior workers" and from the influx of cheap goods produced in distant centers, the old skilled workmen or the more wide-awake young men rising to take their places saw that the world was really larger than they had thought, that they must get acquainted with their fellow-craftsmen in other parts, that they must "hang together or hang separately." Anticipated by certain temporary arrangements (an exchange of letters between secretaries as to trade conditions in their respective localities; mutual agreements as to the transfer of members in good standing from one union to another; and more and more substantial financial assistance to one another in time of trouble,)[1] larger and more comprehensive bargaining units developed—first, perhaps, to cover a certain industrial section or district, but eventually to claim jurisdiction over the whole national area and even to look beyond.

This process of nationalization, running parallel with the nationalization of economic and political life, has apparently been more easily and more completely carried out in newer industrial countries like Germany and the United States than in Great Britain. In the latter country the local unions in the more highly specialized industrial districts had become so well established as independent organizations that they have been slow to merge their identity in larger groups. There are still more than a thousand distinct unions in Great Britain, many of them, it is true, somewhat loosely allied in federations; but many others at best in the courtship stage, so far as relationship with their fellows and competitors in other places are concerned. The printers, though combined somewhat loosely in the Printing and Kindred Trades Federa-

[1] Cf. Webb, *Industrial Democracy* (1902), p. 90, *et seq.*; Commons, *History*, vol. i, pp. 112, *et seq.* (printers), 388, *et seq.* (carpenters), 438-453; Glocker, *Government*, p. 46, *et seq.*

tion, are still divided into three large associations, one for London, one for the "provinces," and one for Scotland.[1] The Birmingham Tin-plate Workers still hold aloof from other closely similar unions in the metal trades; and the Sheffield Cutlers still occupy a little kingdom of their own. Perhaps in spite of some neglect of mutual interests it is possible for these larger groups to be reasonably self-sufficient and to work out all of the leading features of unionism. But the persistence of hundreds of little one-branch societies can only be styled "arrested development." In nearly all of the larger and more active trades—engineering, shipbuilding, railroading, textiles, mining, boot and shoe manufacture—competition and the obvious necessity of bringing up those backward districts toward which the work tends to gravitate have overcome tradition and driven toward nationalism. Once national bodies have been formed they and the national officers representing them have been energetic opponents of everything smacking of "local protectionism." [2]

In Germany, where organization began, so to speak, at the top, integration both territorial and industrial had gone so far that before the War there were said to be only fifty-one separate unions in the great Social Democratic group, comprising among them nearly 3,000,000 members.[3]

In America our vast area, if it has not encouraged, has at least not prevented the operation of strong centralizing forces. Practically all unionists in the United States and Canada are comprehended within the ranks of about 130 national or international organizations, 107 of these in 1925 affiliated with the American Federation of Labor. Where trades or industries have been largely localized or sectionalized, this does not, of course, imply national organization in a geographical sense; but as manufacturing industry has moved westward and southward it has implied that the union organizer must

[1] Cf. Lloyd, *Trade Unionism*, 1921, p. 237, *et seq.*; Cole, *Introduction to Trade Unionism* (London, 1918), pp. 27-29; Webb, *History*, p. 437.

[2] Cf. Webb, *Industrial Democracy*, pp. 72-103. In some cases, as among the shipwrights, it was even necessary to establish rival locals to bring existing organizations to terms.

[3] Cole, *World of Labour* (London, 1919), p. 175.

follow close upon the heels of the promoter and enterpriser and cover a wider and wider field. Such missionary efforts carried on and financed by existing unions and by the nationals themselves—as soon as they came into being—and resulting in new organizations looking to the national body for aid and advice, inevitably had the effect of enhancing the prestige and authority of the central union, in the same way that carving new states out of the territories has been one of the forces making for federal control.

And the earlier unions had plenty of cause, other than altruistic sentiments, to be interested in the outlying districts. The rapid introduction of machinery and standardized production, especially during and after the Civil War, combined with the rapid building of trunk-line and transcontinental railroads to create a national market for goods, so that it was impossible for labor conditions in one place to be very much better than they were in another. There was no use in trying to build up a strong local organization and to control the entrance to a trade when Duff Green or some other enterprising person in another city or town was taking on "green hands" and teaching them enough of the trade to do his work. If the "green hands" themselves did not put in an appearance to plague the sedate and self-contained old-line craftsmen, their product was certain to do so and to undersell that turned out under "trade union conditions" and according to the old methods. In such circumstances it is extremely difficult to convince the public that the new product is not just as good, and to persuade the loyal employer that he has not been shabbily dealt with by his union employees.

It was this desire to protect their trade from the changes and encroachments brought about by the merchant-manufacturer that led the printers and four or five other crafts to attempt something like national control as early as the thirties.[1] The stove molders found quite early that their product took to itself legs, and came into competition with the output of new plants at a distance. Hence the Molders' Inter-

[1] Mittelman in Commons, *History*, vol. i, pp. 443-453.

national in 1859.[1] The Knights of St. Crispin in its meteoric career from 1867 to about 1875 represented a similar struggle to protect the shoemakers of the country against "green hands" and the inroads of the machine-made product.[2] The difficulties which the United Mine Workers have had in winning strikes such as that of 1922, when the coal from West Virginia and other non-union mine fields continued to pour into the market, sometimes at the rate of 5,000,000 tons per week, supply a vivid negative example. "A chain is as strong as its weakest link."

Workmen moved about as well as goods. Americans are notoriously a migratory people, and the trait seems to be confined to no one group or class, rich or poor, skilled or unskilled. The "tramp" printer or machinist had to be looked out for, or he might make trouble. If a loyal unionist, he would himself aid in organizing new locals. This played an important part in the formation of the National Typographical Union in 1850, the first permanent national union.[3] Employers also organized to meet the demands of the labor unions and this induced further consolidation and co-operation in the ranks of labor. It has been easier, for example, to hold the iron molders together because the iron founders have presented a united front since about 1866. So at a later date with the printing trades, in their dealings with the Newspaper Publishers and the Typothetae.[4] Doubtless the economies and other advantages of large-scale organization may also be said to have been recognized by labor as well as by capital, and to have made for unification within each trade—the broader financial basis, the better distribution of insurance risks, lower administrative expense per capita, abler officers wielding a strong disciplinary influence. Whether always premeditated and anticipated or not, these have come in the train of nationalization.

Indeed, the movement for nationalization means much more

[1] Andrews in Commons, *History*, vol. ii, p. 48, *et seq.*
[2] *Ibid.*, pp. 76-79.
[3] Andrews, *op cit.*, vol. ii, pp. 44, 58, *et seq.*
[4] *Ibid.*, pp. 50, 61; Perlman, *History of Trade Unionism in the United States* (New York, 1922), p. 109, *et seq.*

than the assumption of a common name and the claim of a somewhat loose and hazy jurisdiction over all local branches throughout the country. It means, as the only thing that can make such organization really effective, a considerable and growing centralization of authority in the national body. Local unions must not be allowed to submit without due resistance to any lowering of the standards within their area; and, on the other hand, they must not be permitted to fritter away their energies in hopeless fights and squabbles. If they expect to receive aid from other branches or from the national body, they must be prepared to submit their cause beforehand for approval or disapproval and to abide by the decisions thus rendered. Harmony of action and the protection of common interests and rules demand that there be a central power station, because the task of labor organization is typically so much like warfare that it requires unified strategy, quick decisions, and vigorous execution.

The precise organs or agencies through which national unity is accomplished and exercised vary widely in different trades. Written constitutions, originally adopted as an expression of the jealousy with which the rank and file of unionists have regarded their elected representatives, give us a fairly clear idea of the distribution of authority between national and local bodies and of the powers and duties of national officers. Mr. and Mrs. Webb have pointed out the necessary transition made in British unions—the Cotton Operatives and Coalminers, for example—from the pure democracy of the local general meeting, in which each member had a chance to pass judgment upon every question that arose; through the device of the "governing branch," in which first all locals in rotation, later one of the more important locals, assumed administrative responsibility; then through resort to the overworked and cumbersome method of the referendum; until, finally, representative government by delegate conventions and elective officials clothed with ample powers was arrived at.[1] As they suggest, the workers have been slow to realize that power which is delegated is not lost, that officers and representatives

[1] Webb, *Industrial Democracy*, part i, chaps. i-iii.

properly chosen are only servants and not a new set of masters, and that labor can only cope with capital when it uses the services of experts and men who can give their whole time to the job.

The national conference or convention, held annually or at least biennially in most cases, with special sessions in emergencies, is far from being merely a junketing expedition for the local officers and delegates who attend it. The Typographical Union once tried the experiment of substituting the referendum for a convention, but was quickly constrained to return to the convention again. Its procedure may seem unbusinesslike to an outsider, like a huge debating society, but it has a real value in affording the national officers a chance to give an account of their stewardship, while at the same time feeling the pulse and getting the reaction of their constituents. It helps to fire the enthusiasm and to broaden the views of the delegates as no referendum or the columns of a trade journal are able to do, and thus welds the organization more firmly together. When in session it is the real center and source of authority; and it lays down, or at any rate approves and amends, a course of action for the future.

The national officers who are to carry out these policies and upon whom necessarily falls, in the interim of conventions, the responsibility of using considerable discretion and making many decisions are sometimes chosen by the convention, sometimes by the membership as a whole. In Great Britain the general secretary is commonly the chief executive officer and the one who, through the permanency of his office and his familiarity with all the business of the organization, has sometimes become almost a dictator over the trade. The president or chairman, where he exists, is assigned the more honorary and perfunctory duties of a presiding officer. In America, on the other hand, while the secretary is a very important officer (sometimes, as in the case of the Carpenters, having the job of editing a monthly journal added to his clerical work), the president is the real head, who deals with matters of national importance whether economic or political or legal.

The general secretary of the Cotton Operatives in Great

Britain has for many years been subject to a kind of civil service examination. He is nominated by the branches but elected by the "cotton-spinners' parliament." [1] The general secretaryship of the Miners' Federation, however, is filled through a ballot-vote of all the members, although the other officers are chosen by the annual conference.[2] Both the chairman and the general secretary, in the case of the Amalgamated Engineers, and the "Industrial" and "Parliamentary" general secretaries in the case of the National Union of Railwaymen, are chosen by general ballot.[3] The president and other officers of the Railway Conductors of America and those of the Molders, as two important examples, are chosen by national convention; but there are more cases (the Typographical Union, the Mine Workers, the Carpenters, and the Granite Cutters, among them) where the more direct and democratic control of a general ballot is insisted upon.

In both Great Britain and the United States there are, of course, a treasurer and an executive board with the usual duties—the board, sometimes composed of vice-presidents, having the function of advising and, if necessary, holding in check the president or secretary. Often the board, as is true with the Engineers and Miners abroad, and with the Carpenters, Mine Workers, and Granite Cutters on this side, are chosen by geographical districts and thus insure territorial representation.[4]

These national officers, with permanent headquarters in some great industrial and commercial center (London and Manchester are favorites abroad; Boston, New York, Indianapolis, and Chicago in America), are the watchmen upon the tower to detect the approach of trouble from any quarter and to take energetic steps to meet it. It has been a long uphill struggle to establish central authority as against local autonomy; but in fifty or more national unions in America, and in the larger societies in Great Britain, the force of circum-

[1] Webb, *op. cit.*, pp. 196-197.

[2] Miners Federation of Great Britain, *Rules*, 1922, p. 2.

[3] Amalgamated Engineering Union, *Rules*, 1920, pp. 5-6; National Union of Railwaymen, *Rules*, 1920, pp. 5-6.

[4] *Constitutions* of the respective unions.

stances, already indicated, has compelled the locals to surrender more and more of their power to the national body. If what is wanted is strength in bargaining with the employer, it will not do to "go it alone." To be sure, in nearly one-half of the 130 unions in the United States whose constitutions Dr. Glocker analyzed a few years ago, national control was still very limited, amounting sometimes to little more than the right to make recommendations as to policy, and to request certain reports from local officers.[1] In certain skilled trades where the market for the product remained largely local, such as bricklaying, carpentering, and, for a long period, printing, and where a considerable number of men in a given center working for different employers could build up a strong organization and be largely self-sufficing, the spirit of localism survived. But with the others the need of a power larger and stronger than themselves has largely reversed the old order. Whereas the national unions were originally possessed of limited, and the branches of residual, authority, a study of constitutions and even more of the operations of unions, such as those of the textile workers, the Railwaymen and the Engineers in Great Britain, and of the Cigarmakers, Boot and Shoe Workers, Railroad Brotherhoods, and Miners on this side, gives rather the opposite impression that the branches can do almost nothing of themselves. The constitutions often state with minuteness (doubtless upon the basis of the established practice) how the branch shall be governed; the rules for the use of "traveling cards" and the admission of new members, including apprenticeship and initiation fees; the scale of dues to be charged, and the uses to which funds may be devoted, including, of course, the share to be sent to the national treasury; how the accounts shall be kept; the reports that are to be filed with the national office upon forms furnished from headquarters; and, not least of all, the preliminaries that must be gone through before strikes can be engaged in (in some cases only strikes requiring national aid, but in an increasing number of unions, any and all strikes).

Fundamentally, the control which the national body has

[1] Glocker, *Government of American Trade Unions,* 1913, chap. vi.

come to exercise over the local is largely *financial.* Personal magnetism and moral suasion exerted by national officers may have effect; but the local provocation to break the rules may be great, and distances are often great. Even suspension or loss of charter necessitating the payment of fines or new charter fees to secure reinstatement and regular standing, may have no terrors if it does not result in loss of benefits and of other financial aid. Only as the national organization has built up common defense funds, and, in a smaller number of cases in American unions, insurance schemes, and only as the need of such outside help has come to be more and more felt, has its authority in the matter of trade practices and particularly of strikes come to be respected. The willingness of certain local organizations of bricklayers—that in Chicago, for example—to remain aloof from the national union for years has been due to their belief that they could "hoe their own row," and the fact that they had no confident expectation of receiving financial help from the national. The Miners' Federation of Great Britain has been an influential body because of the able leaders it has had and the strong sense of solidarity that pervades its membership. But it is freely acknowledged that it would be much stronger and much less liable to the grievous setbacks it has sometimes experienced, if it had built up a centralized financial system.[1] The Cigarmakers are credited with having been the first union in the United States to adopt higher dues and centralized finance, and this fact largely accounts for the relative stability of their membership since about 1880 and for their success in bargaining.[2] The Typographical Union—until as a result of urgent appeals by a long succession of national presidents, it established a general defense fund in 1885 and a policy of higher dues—had been a weak and flabby organization, unable to enforce contracts and to prevent locals from going out on strikes without consultation or approval.[3] Its experience and that of

[1] Cf. Lloyd, *Trade Unionism,* p. 205; *Rules,* p. 5.

[2] Cf. Sakolski, *Finances of American Trade Unions* (*J. H. U. Studies,* 1906) p. 25, *et seq.*

[3] Tracy, *History of the Typographical Union* (Indianapolis, 1913), pp. 285, 377, *et seq.,* 413, etc.; Barnett, *The Printers,* pp. 67, 70.

the Boot and Shoe Workers demonstrate that a "high-dues" policy, far from alienating membership, rather attracts and binds it to the union with bands of silver and gold. Unionism, we recall, is a business proposition, and business cannot be carried on successfully without adequate funds.[1]

3. INTERNATIONALISM

The international relationships of labor unions have not yet gone much beyond a stage analogous to those early intermittent and limited exchanges of information which took place between independent local unions in the same country. But the outcome of the latter and the encouragement given to closer ties by the existence of an International Labor Office connected with the League of Nations give ground for expecting further development in this direction. The spirit of internationalism is probably more fully awakened among the workers than among people in general, although emphasis in the communications and conferences that have taken place in years past has been mainly upon the legislative and political aspect of things. This has impelled some of the more conservative organizations, especially those connected with the American Federation of Labor and the Federation itself, to hold aloof or to withdraw from what they regarded as entangling alliances.[2] It is realized more and more keenly, however, that capitalism is not confined in its activities to national boundaries, that competition both of commodities and of labor—less intense perhaps because of the cost of transportation and the help of protective tariffs, but none the less real—exists among workers in different lands; that emigration and immigration tend to make the whole world akin, and that it would help greatly if some common standards could be ar-

[1] Cf. Sakolski, *op. cit.*, pp. 26-31, 140-149; Janes, *The Control of Strikes in American Trade Unions* (*J. H. U. Studies*, 1916), chaps. i-ii.

[2] The American Federation of Labor was formerly affiliated with the International Federation of Trade Unions but severed the connection because: (1) the new constitution of the International Federation interferes with national autonomy; (2) the secretariat of the International has committed the organization to revolutionary proposals (Russian Bolshevism); and (3) the new system of dues would cause a heavy expense. (*Proceedings of American Federation of Labor*, 1922, pp. 85-86.)

rived at. Lord Northcliffe explained the withdrawal of his papers from the Newspaper Proprietors' Association in the spring of 1922, when that body declared for a reduction of printers' wages, by saying that good wages to printers "do not mean a loss of trade to Great Britain, but low wages mean the disappearance of skilled British printers to the United States, where, I regret to say, I have met hundreds of them."[1] The officers of the Miners' Federation of Great Britain, Herbert Smith and Frank Hodges, were doubtless right in excusing themselves for permitting Welsh coal to be sent to America during the summer of 1922, when our miners were on strike, on the grounds that they could not themselves know the destination of coal when it left the mines; that it was rather "up to" the transport workers to prevent its shipment to the States; and that, anyhow, the million or so tons sent in the aggregate were an insignificant factor in breaking the strike. But this new development in international competition was a chief topic of discussion at the meeting of the International Federation of Miners at Frankfort and at succeeding conferences in which both American and British delegates were present.[2] Miners' Congresses, at which the principal mining countries of Europe and, part of the time, the United States were represented, were held annually from 1890 down to 1913 and have been resumed since the War. While serving a useful purpose in providing traveling members with a universal clearance card, they have centered their activities upon a campaign for the eight-hour day for miners in all countries either through legislation or collective bargaining.

There were, indeed, prior to the War some thirty-two international trade federations affiliated to the International Federation of Trade Unions and often holding meetings in conjunction with it. Among them, in addition to those already mentioned, were the metal workers, the printers, the lithographers, the diamond-cutters, the glassworkers, the

[1] New York *Times*, May 9, 1922, p. 5.

[2] Cf. Hodges, Frank, "International Control of the Coal Trade," *Labour Magazine*, January, 1926, pp. 390-392.

woodworkers, and the hatters. But since all except two of these, the miners and the textile federation (which had headquarters in Great Britain), were centered in Germany and were dominated by German unions, their operations have been sadly interrupted, and their future cannot be regarded as any more bright or certain than that of most other things in Continental Europe.[1] Their organization has been loose at best, and their influence never very great. But of this we may be certain, that some adequate expression of the international solidarity of labor must and will be found.[2]

4. INDUSTRIAL RELATIONSHIPS

The most perplexing problem connected with the structure of labor unions and the one which has practically from the beginning given rise to the most controversy is not that of the more general organization of particular trades, but that of the relationship between different trades. It has become increasingly obvious that the community, if not the identity, of interest among men in the same trade doing the same work and receiving similar wages is so great that, however magnificent the distances between them, it behooves them to get together in a single organization. Dual organizations continue to exist, as to-day in the clothing and textile trades of the United States; but this is usually due either to some striking difference of social philosophy, or to some minor incompatibilities of structure that prevent fusion.

Yet men in different crafts also have common interests and, what is perhaps more to the point, are in danger of coming into conflict with one another. They ought to feel some bonds of sympathy for each other, just as fellow wage-earners. They can be of great assistance to one another in promoting those more general measures, such as sanitation and compensation for accidents, that can be dealt with by legislation. All of them are consumers and can enter into reciprocal agree-

[1] Cf. Magnusson in *Historical Survey of International Action Affecting Labor* (United States Bureau of Labor Statistics, *Bulletin* no. 268 (Washington, 1920), chap. iv.

[2] Cf. Glocker, *Government of American Trade Unions*, pp. 75, *et seq.*, esp. pp. 83-95.

ments so to direct their consuming power that it will help to elevate rather than degrade working conditions in their respective trades. Wages and other conditions in different lines of work in a given district are far from being independent of one another over a period of years, because new workers will constantly tend to take up in increasing numbers those trades which seem to offer the greatest rewards, and eventually bring all to a common level. There are, as workingmen well know, "cheap towns," where all labor is poorly paid and other conditions are correspondingly hard. More intimately, however, although they may be widely separated, the men who handle or work upon the same material at different stages of manufacture, and those who control the sources of power or its production, are concerned about each other's conduct. Those in the earlier stages may seem to have the advantage, but they are none the less dependent upon the workers and consumers farther along for a market, just as the latter are dependent upon the former for power and material. The coal strike of 1922 no doubt delayed somewhat the recovery of many industries from the depression. The engineers, pumpmen, and other non-miners about a coal mine are said to constitute only 3 per cent of the total working force; but the ninety-and-seven are quite helpless without them. The railway workers, we may repeat, hold such a strategic position that a strike on their part affects employment conditions in almost all other industries. So in a textile mill, the spinners must wait upon the work of the carders, the weavers upon the spinners, and the dyers and finishers upon the weavers. If one set fails, the others are soon out of work. Truly, "an injury to one is the concern of all."

Also, owing to the constant changes being made in industrial methods—new materials used, new machinery, and growing specialization—the lines of demarcation between trades are always shifting, and sometimes seem to be disappearing altogether. The type and degree of skill required in related trades are often so similar that a member of one can easily do the work of the other; and in time of strike or when employment is scarce the temptation to poach is very strong

indeed. Hence troublesome jurisdiction disputes, such as those between plumbers and steam-fitters before they joined forces, between the sheet-metal workers and carpenters as to who should erect hollow metal doors and trim, between the bricklayers and marble workers as to the control of interior marble work, between bricklayers and plasterers, and between the electrical workers and the engineers as to the installation and operation of electric power stations.[1] In elevator construction and installation part or all of the work has been claimed by seven different unions.[2] Indeed, the whole domain of the skilled craftsman, as previously noted, is much less secure than it used to be. The accuracy with which the trained eye and hands of the Japanese cabinet-maker, unassisted by mechanical aids, can gage and fit together the parts of his artistic product is nothing short of marvelous. And we cannot but admire the way in which an experienced man in a Sheffield cutlery plant puts the stamp on a carving knife in exactly the right place without any measuring stick. But in these days of slide-rules and machine-tools, such feats are no longer necessary, and most people are not willing to pay for them. The immense expansion of the automobile industry in the United States, instead of bringing a great increase of employment for machinists, has rather called in a great horde of upstart specialists. And the metal trades organizations in England have likewise had great difficulty in keeping any control of the motor branch of their trade. Concrete or cement work carried on by an entirely new set of workers for a long time threatened the supremacy of the bricklayers and plasterers.

What is to be done with these rivals and interlopers? Time was when it would have seemed like condescension or philanthropy for the skilled man to have anything to do with them. But now, when they are so nearly capable of taking his place, and have already nibbled away so much of his superiority, it seems like good business judgment to come to terms with

[1] Cf. *Proceedings of American Federation of Labor Convention,* 1914, pp. 134, 139, *et seq.;* 1922, pp. 128, *et seq.,* 404, *et seq.;* Whitney, *Jurisdiction in American Trades Unions* (*J. H. U. Studies,* 1914), chap. iv.

[2] Whitney, *op. cit.,* p. 107.

them—to organize and to bargain together. For the control of all these relationships, the protection of those which are mutual, and the adjustment of those which are conflicting, it is much better to have regular agencies and forms of communication within the ranks of labor than to depend upon spasmodic efforts or to attempt to settle differences in public, and very probably play into the hands of the adversary. The time to advise and consult with one another is before any steps affecting the interests of others have been taken; and the place best suited to such consultation and the planning of a campaign is in the quietness of the council chamber, not upon the firing-line.

But just here is where the difficulties begin. How intimate must this new form of association be? Horizontal organization of labor may have a broad enough basis to stand upon; but vertical organization is much more wobbly and unstable. Because, in addition to the old craft-pride and prejudice to be overcome, there are still usually wide differences between groups in wages and standards of living, in culture and refinement, often, especially in America, in race and nationality. It is not possible to create a brotherhood quickly out of such diverse and unpromising materials. The older, more skilled group of workers in an industry have probably already built up a strong organization for themselves in times past, with their own officers, reserve funds, and insurance features. Must these be surrendered and divided up? The new class of workers, the unskilled and semi-skilled, is larger in number; and if all were to be included in a single organization without constitutional safeguards and limitations, these would swamp the skilled craftsmen and very likely ignore their peculiar claims and interests. Majority government does not necessarily mean good government. It depends upon who the majority is, and upon how nearly homogeneous the members of the group are—how nearly identical are their real interests. Common interests must be served; but there are usually quite legitimate, non-conflicting, special interests, also, to be protected and furthered. A minority of skilled workers may well hesitate about becoming "unequally yoked together with

unbelievers." It is apparent that the newer grouping of workers in the same or in related industries must take on a form suited not only to the degree of interdependence which exists among the different sections, but to the psychological and temperamental susceptibilities of the members. It must make allowance for the spirit of trade autonomy and for the rights of the minority. In other words, it must itself be evolutionary.

Words and names in this field, as elsewhere, are often used so loosely that different things are comprehended under the same term, and the name sometimes remains the same even after the substance has changed. It is not always easy to determine and put one's finger upon the very seat and wellspring of power in an organization, because it varies according to the emergency and according to the personnel of government. Yet certain gradations and shades of intimacy may be distinguished in the co-ordination and co-operation of workers in different trades and industries. There has been, first, just as between locals of the same trade, the stage of impulsive, temporary aid. Some particular dispute or crisis is recognized to affect the interests of more than one group, and results in conferences, committees for negotiation or the collection of strike funds, and, in some cases, in sympathetic strikes.[1] This has naturally proved unsatisfactory, because it gives no promise of help beforehand and "gets into the game" too late to have the proper moral effect. Some more assured form of co-operation has been sought through federation, with a written treaty or constitution setting forth the obligations of the parties thereto. Sometimes this is little more than a defensive alliance, establishing no new governmental machinery beyond a joint board or committee of officers of the respective unions, and depending wholly upon the action of each autonomous organization in time of a crisis.

The Triple Alliance entered into by the Miners, Transport Workers, and Railwaymen in Great Britain in 1915-17 was of this order; and its weakness and undependability were amply

[1] Cf. Burke, *History and Functions of Central Labor Unions* (*Columbia University Studies*, 1899), chap. i; Royal Commission on Labour, *Fifth and Final Report*, parts i and ii (London, 1894), p. 32.

shown in the failure of the three unions to get together during the Miners' strike of 1921. As Ernest Bevin of the Transport Workers remarked in explanation of the *débâcle,* "You cannot have a joint movement and autonomy at the same time." [1]

Yet there are labor federations which, while allowing, as the term implies, a large measure of local or trade and industrial sovereignty, may yet be considered as successful in their field as the federal government of the United States itself. They have their own officers exercising legislative, executive, and judicial functions; and these men have usually, if not always, been men of outstanding ability and of leadership in the movement. These leaders are willing, however, in most cases to interpret and express rather than to force the policy or sentiment of their constituents; and depend upon the demonstrated need and value of their services to and between different affiliated unions to win for the central organization still greater respect and authority. So much the better if the federation likewise has some assured financial resources which tend to make its favor something to be sought after and its decisions something to be obeyed.

The more complete merging or pooling of assets and interests by two or more previously distinct unions to form a single new organization is called an "amalgamation." If an organization eventually comes to include in its membership or to be open to all persons engaged in an industry, such as mining or railroading, both skilled and unskilled, we have an "industrial union," properly so called. The process is analogous to that method of trustification in which an entirely new corporation is chartered to take over the management and absorb the securities of previously existing corporations; or where a single existing corporation expands and takes in all of its rivals. In amalgamating after this fashion, the different groups of workers feel that their aims and interests are sufficiently identical to enable them to work through a

[1] National Transport Workers Federation, *Report of the 11th Annual General Council Meeting* (Edinburgh, 1921), p. 30. Cf. also, *ibid.,* pp. 17, 21, *et seq.;* Cole, G. D. H., and Arnot, *Trade Unionism on the Railways* (London, 1917), chap. xiv; Hodges, Frank, *My Adventures as a Labour Leader,* chaps. xvi-xvii.

common set of officials. Sectional or group interests may still be safeguarded by the scheme of representation laid down in the constitution, and there may be reservations regarding participation in certain accumulated insurance funds; but otherwise the union is absolute, "for better or for worse." [1]

5. LOCAL FEDERATIONS

Naturally, federations have preceded amalgamations, and are still the prevailing form of organization in both Great Britain and the United States for the expression and advancement of intertrade relationships and interests. They are sufficiently elastic and varied in structure to look after those more general "touch-and-go" contacts between unions in different industries, and also to meet the requirements of a relatively low development of the "consciousness of kind" between trades within the same industry. Roughly, their development and scope have waited upon, and run parallel with, the growth of unionism within the trades, increasing in all periods of marked expansion in organization, and proceeding from local to national with the same tendency in the respective trades.

Chronologically, the first form of federation, consisting of associations of more or less independent local unions in the larger cities, was the "trades council" in Great Britain, the "central labor union" in the United States, and the *Bourse du Travail* in France. No large powers have ever been granted to these bodies; but working through delegate meetings, with a limited staff of officers, often on part-time, and supported by a small fee or per capita tax from the locals affiliated, they have continued to serve as clearing houses for labor information in the local industrial areas, have helped to encourage and perfect organization therein, have advised and assisted unions in their dealings with employers, have launched boycotts against "unfair" firms, have spent much of their time trying to settle jurisdiction disputes between different trades, have conducted labor papers and engaged in other educational and publicity work, and have looked after the legislative and

[1] Cf. Glocker, "Amalgamation of Related Trades in Unions," *American Economic Review*, vol. v (1915), pp. 554-575; Cole, *World of Labour*, chap. vii.

political interests of labor, especially in the municipal field. Naturally, with the shifting of the center of gravity toward national organization, their relative importance, particularly with respect to economic matters, has somewhat declined; but they are still valuable and interesting organs for the expression and formation of labor sentiment.

In the formation of these city federations, the workers of the United States can probably claim priority over those of Great Britain. For there were at least thirteen authenticated "trades unions" of this character in as many cities in the thirties;[1] and "trades' assemblies" in every important industrial center of the country during the Civil War period. These assemblies extended aid to the locals within their respective jurisdictions in the struggle to make wages keep up with prices; and played an influential part in the labor congress held in Baltimore in 1866 which resulted in the formation of the National Labor Union.[2] They experienced a slump along with other forms of unionism in the period following, but were revived after 1879. The "district assemblies" of the Knights of Labor, 253 in number by 1888, answered some of the same needs.[3]

With the rise of the American Federation of Labor the rôle of the central union has become, in the main, a secondary one. There were in 1925 a total of 850 city centrals affiliated to the Federation.[4] They are permitted to send but one delegate each to the conventions of the Federation, regardless of the number of their affiliated unions and members; are not allowed to admit delegates from branches of unions not in good standing with the Federation; and, on the other hand, cannot refuse to admit delegates of unions affiliated with the parent body, violations being punishable in every case by revocation of charter.[5] The organizer of the Federation, where

[1] Mittelman in Commons, *History*, vol. i, pp. 357-380; Perlman, *History of Trade Unionism*, pp. 20-29.

[2] Andrews in Commons, vol. ii, pp. 21-26, 33, *et seq.*, 85, *et seq.*

[3] Burke, *op. cit.*, pp. 41-42.

[4] *Proceedings*, 1925, p. 23. This represents a falling off from 1921 when there were 973.

[5] *Constitution of the American Federation of Labor*, art. XII.

one is stationed in the city, attends the meetings and works largely through the central body. And many of the matters brought up at these meetings are either things that have to be referred to the national executive, or decisions and opinions which the latter has handed down. The extent of supervision which President Gompers and the Executive Board of the Federation were willing to exercise over central labor unions was shown in their insistence in 1920 upon the fusion of the four centrals that existed for many years in Greater New York. They were prompted thereto partly by the lack of co-operation manifested by those bodies—notably the refusal of the Central Federated Union to unseat representatives of seceding printing pressmen during a strike—and partly by the flirtations of the C. F. U. with the "American Labor Party."[1] For many years there have been complaints that local unions "wise in their own conceits," and looking chiefly to their national trade bodies for support during disputes, have not been supporting the central labor unions as they should. But, while urging such affiliation in its constitution and more recently sending representatives to the conventions of national and international trade unions to persuade those bodies to exert pressure, if not compulsion, to the same end, the American Federation has repeatedly rejected resolutions that would make it compulsory.[2]

The development of trades councils in Great Britain has been parallel in many respects with that just noted for America; and their divorce from the main currents of the labor movement, aside from the political, has been even more complete. After a succession of temporary bodies called forth by agitation against the Combination Acts (1825-26), a strike or some other immediate undertaking, permanent councils were established in the principal cities about the middle of the nineteenth century (Liverpool, 1848; Sheffield, 1857; Glasgow, 1858; London, 1860). The London Trades Council,

[1] Cf. New York *Times*, January 31, 1920, p. 6; *Proceedings*, 1921, p. 134.

[2] *Proceedings of the American Federation of Labor Convention*, 1915, pp. 492-493; 1916, pp. 60-62, 435-436; 1922, pp. 302-306. Such resolutions would be considered an infringement upon trade autonomy.

which soon came under the domination of that coterie of leaders of large unions known as "the Junta," originated in a strike-committee appointed in support of the Building Operatives. The Nine Hours' movement of 1870-71 and the "new unionism" of 1889, as well as the need for some representative body of labor in public affairs and demonstrations, were prominent factors in the spread of this form of organization.[1] In 1894, Mr. and Mrs. Webb estimated that there were about 120 trades councils; in 1913 there were 333; and by 1921 these had increased to 547.[2]

The influence exerted by these bodies on behalf of labor legislation, especially in the earlier period, and their present political importance as locals of the Labor Party, will be mentioned in another connection. Neither should we forget the services which they have performed, and still perform, in promoting organization, notably among the agricultural laborers under Joseph Arch in 1872 and later on among the unskilled workers of the towns; nor the part they have played, as in America, in arbitrating disputes between trades and in aiding or settling strikes; nor the prominence they have more recently had as the local representatives of labor in educational efforts, such as those of the Workers Educational Association, and the labor colleges; nor, finally, their support of local co-operative societies.[3] But although still valuable and, as Mr. Cole and other Guild Socialists believe, still capable of occupying an enlarged sphere,[4] the relative importance of the trades councils, so far as concerns the more purely business aspect of unionism, has notably declined. The trades councils called and were the organizers of the Trades Union Congress in 1868; but because of jealousy on the part of the national unions of the part played in succeeding congresses by the representatives of the councils, they

[1] Richards, Cicely, *History of Trades Councils, 1860-75*, introduction by G. D. H. Cole (London, 1920), pp. 4, 11-15.

[2] Webb, *History* (1902 ed.), p. 466; *Ministry of Labour Gazette* (London, December, 1922), p. 475.

[3] Cf. Richards, *op, cit.*, pp. 18-20, 32, *et seq.*; Webb, *History*, 1920, pp. 559-561.

[4] Introduction to Richards, *op. cit.*, pp. 8-10.

were excluded from the Congress in 1895.[1] That was "the unkindest cut of all." Only within the past few years has a *rapprochement* occurred and some steps been taken to bring the trades councils back into the system. The General Council of the Congress has promoted "area conferences" in the effort to make the councils more effective organs for local trade union action. But the Scarborough Congress of 1925 still refused to consider the readmission of delegates from the councils.[2]

6. GENERAL FEDERATIONS—THE AMERICAN FEDERATION OF LABOR

The great general federations of labor, aspiring to represent the common interests of labor over the whole country, have themselves had a "hard scrabble" to find or to win a place of permanence and authority as against both geographical localism and industrial sectionalism. The structural defects of the predecessors of the American Federation of Labor have been indicated in a previous chapter.[3] The Federation appears to have learned its lesson well, perhaps too well. It is founded upon two main ideas: first, that of encouraging organization by crafts, as most likely to guarantee the proper degree of internal harmony and homogeneity; and second, that of voluntary rather than compulsory submission to the rules and decisions of the Federation itself.

The craft idea was much emphasized in the earlier period because of the difficulties which the Cigarmakers and other trade unions were having with the Knights. But although there has been some danger that, because of the rivalry of the I. W. W. and the mistaken zeal of some of the socialists, this idea would take on a new lease of life and become a kind of shibboleth hampering adaptation and growth, it has actually not been religiously adhered to in practice.

On the other hand, the principle that the final seat of authority should be left in the national unions, and that the

[1] Webb, *op. cit.*, pp. 557-561.

[2] Cf. Fred Bramley in *Labour Magazine*, October, 1925, p. 248; Labour Research Department, *Monthly Circular*, June, 1925, p. 132.

[3] *Supra*, pp. 251-253.

general federation should depend upon educational methods, rather than upon arbitrary power, to gain support and bring about common action, has been quite scrupulously applied. President Gompers repeatedly exalted it as the most attractive feature of the Federation and the secret of its success, as well, perhaps, as an evidence of the essential harmlessness and beneficence of the organization. In his statement to the Commission on Industrial Relations in 1914 he said:

> The affiliated organizations are held together by moral obligation, a spirit of camaraderie, a spirit of group patriotism, a spirit of mutual assistance. There are no coercive methods used by the A. F. of L. to prevent the withdrawal or secession of any affiliated organization. . . . Similarly, no coercion is used in regard to national organizations which are not affiliated to the A. F. of L. . . . When an international union affiliated to the A. F. of L. refuses to carry out convention resolutions applying to members of that trade, the A. F. of L. has no power to enforce its judgment.

Yet by way of indicating the effectiveness of this method, he added:

> I recall but one instance in which an organization, which had in advance agreed to abide by the decision of the Executive Council in regard to a dispute between it and two other organizations, refused to abide by the decision rendered against it. . . . All the actual power outside of the moral power that the A. F. of L. possesses is the power of expulsion from membership in the Federation. . . . The moral force of the A. F. of L. is the most effective influence or power it has in dealing with allied organizations.[1]

Again in 1916 when the chiefs of the four Railroad Brotherhoods were the guests of the convention of the Federation in Baltimore, two of them stated in their speeches that the Brotherhoods were "with" the Federation in spirit, but had not sought affiliation because they feared jurisdiction disputes, President Gompers replied in his most ingratiating manner:

> Let me assure you that self-government is guaranteed to every organization affiliated to the American Federation of Labor, and no species of compulsion is tolerated in our Federation. If we

[1] Gompers, *The American Labor Movement* (pamphlet) (Washington, no date), p. 8.

cannot succeed in prevailing upon an organization to do the thing which, in our judgment, it ought to do; if we cannot do that by the expression of our judgment, then we cannot enforce that judgment by any decree or action on our part. . . . The jurisdiction question is the one in which we try to be helpful in bringing organizations, each claiming jurisdiction over the same class of workers, to come to a voluntary conclusion to govern themselves. But compulsion—No![1]

Yet the Federation wields a great influence over the American labor movement. Omitting again, for the present, the political phase, the objects which the Federation has set for itself and the means it uses for their accomplishment may be briefly reviewed.

The great primary task, already once referred to, is, of course, that of *organization* both local and national. The thirty to 100 (in 1920-21, 105) paid organizers with assigned territory, and other largely voluntary general and district organizers under the direction of the Federation, assist affiliated nationals in perfecting control over their respective trades, and also enter into those virgin fields where organization is unknown or in a backward state.[2] The occurrence of a strike or lockout is a signal for their co-operation. Beginning in 1914 and again in 1916, when so many women were being drawn into industry, a special campaign—paid for in each case by a one-cent assessment upon the total affiliated membership—was made to organize the women workers; and thirteen organizers devoted part or all of their time to this purpose in 1916.[3]

In 1920-21, one of the most active years in organization work, the expenditure for this purpose was $279,605,66, nearly one-third of the entire expenses of the Federation.[4] In 1924 and 1925 the sum was about $130,000. As a result of these efforts there are reported each year (revolving about the union world in a more or less detached condition, paying dues directly to the Federation and looking to the defense fund thus created for aid in trade disputes) several hundred "local unions"

[1] *Proceedings*, 1916, p. 292.
[2] Secretary's report in *Proceedings*, 1914-25.
[3] *Proceedings*, 1917, p. 22.
[4] *Proceedings*, 1921, p. 25.

(newly organized groups within the same trade or industry) and "federal unions" (more or less composite bodies of workers in a given locality), some of which are to be ultimately combined into new nationals, some to be redistributed to existing nationals, and many, it is sad to relate, to cease to exist when hard times come or the persuasive, personal touch of the organizer is withdrawn. In 1921, Secretary Morrison presented a list of eighty-eight national and international unions that had been launched by the Federation itself since 1896. About one-half of these—some of them now merged with other nationals and many of them still in the infant stage—are now in existence; the others have been suspended, have withdrawn, or, in more cases, have disbanded.[1] Yet the charge, sometimes uttered, that the American Federation and the unions composing it have been so self-satisfied that they have not made any attempt to reach the unskilled and unorganized cannot be considered altogether well-founded.

The second and probably the greatest industrial task assumed by the Federation is that of *umpire* or arbitrator over its affiliated unions and even the union world in general. Just as the Constitution of the United States places upon the federal government the duty of guaranteeing to each state "a republican form of government," so the fundamental principle upon which the American Federation was founded gives it a mandate to supervise the structure and scope of each and every labor organization coming before it in any manner, and, so far as possible, to prevent overlapping and infringement. In the absence of coercive power this function has to be performed by the more laborious and time-consuming methods of investigation, conferences, negotiation, and discussion, before an intelligent consensus of opinon can be arrived at, and the contending parties in a dispute brought either into agreement or into a frame of mind where they are willing to accept and abide by the decision rendered. Consequently, matters of demarcation and jurisdiction have from the beginning absorbed a large part of the time and energies

[1] *Proceedings*, 1921, pp. 25-27; *American Federation of Labor History*, 1919, pp. 478-481. Cf. Glocker, *Government of American Trade Unions*, pp. 55-56.

of the Executive Council of the Federation and of its members; they make up a large share of the unfinished business which the Council submits to the Convention; and they take up a correspondingly large portion of the deliberations of the Convention itself.

The way in which these disputes arise has been indicated. Starting in 1881 or 1886 (whichever date of origin is adopted) with a group of national unions organized chiefly upon craft lines, the Federation has, of course, had as its leading obligation to protect these in their charter rights. The pretensions of new applicants for charters have had to be carefully scrutinized, lest their inclusion might involve trespass and sow the seeds of future trouble. The officers of the Federation have always put a premium upon regularity, and have waged merciless warfare upon seceders and dual organizations. The experience of the Amalgamated Clothing Workers since its origin from a split in the United Garment Workers in 1914 shows how relentless and unforgiving the Federation authorities can be.[1] A similar conservatism has been shown before any affiliated union is permitted to change its name or enlarge its domain. The Journeymen Tailors had to retreat after such an effort in 1914;[2] and there have already been some regrets, especially on the part of the Electrical Workers, that the Steam Engineers should have been allowed some years ago to add the apparently innocent word "operating" to their title.[3] But the most fruitful cause or source of grievance has been the effort of some one of the older organizations to establish a claim to new work that is a substitute for or comes into conjunction with its previously recognized task—readjustments made necessary by changes of material and method. When sheet copper or other metal is introduced to take the place of wood—as upon doors of office buildings—shall the work belong to carpenters or to sheet-metal workers? Shall the laying of asbestos shingles be the work of car-

[1] Cf. Savage, *Industrial Unionism in America* (New York, 1922), pp. 207-208; Perlman, *History of Trade Unionism*, p. 120; de Leon, Solon, in *American Labor Year Book, 1921-22* (New York), p. 176.

[2] *Proceedings*, 1914, pp. 138-139; 1915, pp. 119-121.

[3] *Proceedings*, 1914, p. 134; 1922, pp. 128-130, 404, *et seq.*

penters or of slate and tile roofers? What Solomon can decide just when theatrical employees, or the maintenance-of-the-way employees on the railroads, are doing work that should have fallen to the building trades? Should the flint-glass workers have jurisdiction over the making of the molds for molding glassware, or has the introduction of glass-bottle machinery brought this work within the claims of the machinists? These are the cases which the Federation tries to settle.

If the parties to such disputes prove unable to reach a settlement by themselves, one of them commonly makes appeal to the Executive Council of the Federation, or by resolution directly to the Convention. The Council, itself composed of men with wide experience in union affairs, or the special committee to which particularly knotty cases are sometimes referred, show unflagging zeal and patience in investigating rival claims, and in trying to bring about voluntary agreement. Results and findings are submitted to the next convention; and if the dispute still rages, it may be either submitted for further examination, or the recommendation of the Council or committee endorsed, and the disputants instructed to conform thereto. But since the power of the Federation is limited to moral suasion, with the power to suspend or revoke charters as the only penalty for disobedience, it cannot be said that discipline is very strictly enforced. The power to suspend charters has been used sparingly; and the unwillingness to antagonize a large union, even when its sins and disobedience are known to all men, was strikingly shown a few years since when the leaders of the Federation, including Mr. Gompers, appeared in opposition to a resolution to suspend the Carpenters because they had refused to abide by the decision against them and in favor of the sheet-metal workers.[1]

Mergers or amalgamations have been frequently enough suggested as the best method of eliminating these jurisdictional disputes; and, in spite of the charges of its more radical critics, it must be admitted that the Federation has gone about as far and as rapidly toward bringing about such a

[1] *Proceedings*, 1917, p. 401, *et seq.;* 1919, pp. 234, 464; 1922 pp. 438-439.

solution as its representative character and limited authority will permit. The so-called "Autonomy Declaration" adopted in 1901, and which constituted the chief basis of the defense against the advocates of "industrial unionism" in 1912, admitted the impossibility of establishing "hard-and-fast lines," conceded that in isolated industries where the overwhelming number of workers perform a given kind of work, "jurisdiction by the paramount organization would yield the best results"; and, still more to the point, stated:

> We hold that the interests of the trade union movement will be promoted by closely allied and subdivided crafts giving consideration to amalgamation and to the organization of District and National Trade Councils to which should be referred questions in dispute.[1]

It is true that most of the amalgamations that have so far occurred under the encouragement or with the approval of the Federation have been in overlapping or closely related trades, where the differences in wages and skill were very small; for example, that between the Plumbers and Steamfitters, that between the Lasters and the Boot and Shoe Workers, and that among the various unions of leather workers. Certainly, the effort to bring about such mergers has occupied a good deal of the attention of the officers and of the conventions in recent years, extending in several cases to the submission of a plan and the declaration that any recalcitrant union should be suspended after a certain date.[2]

The departmental grouping of trades within the Federation, now provided for and governed by Article XV of its constitution, was more largely the outgrowth of the needs and experiences of the trades themselves than the result of influence from the center. As early as 1888, however, Mr. Gompers had recommended "industrial divisions;" [3] and these were evidently what was meant by the National Councils,

[1] *Proceedings*, 1912, pp. 114-115, 309-312.

[2] Cases that have been pending for a longer or shorter time are those of the Steam Shovel and Dredgemen and the Steam and Operating Engineers; the Lithographers, the Photo-engravers, and the Printing Pressmen; three unions of textile workers; the Tunnel and Subway Constructors and the Compressed Air Workers; and the various actors' unions. (*Proceedings*, 1915-19.)

[3] *Proceedings*, 1888, p. 14.

referred to in the Autonomy Declaration already quoted. The Building Trades Department developed in 1908 out of the local building trades councils, which date back to the eighties, and from two previous efforts at federation on a national scale.[1] It has affiliated with it some seventeen national and international unions and more than 400 local councils. The Metal Trades Department, formed in 1909, had a similar evolution.[2] And the Railway Employees Department, tentatively organized in 1908, was reorganized in 1912 to incorporate the "system federations" that had grown up on many railway lines. The Union Label Trades Department formed in 1909 is less purely an industrial department, but has for its function the promotion of the power and prestige of the labels of the fifty or more trades affiliated with it.[3] A Mining Department to bring together the coal miners, metal miners, oil-well employees, and others in that field was started in 1912, but has since fallen into abeyance.[4] The three industrial federations or departments which survive have helped somewhat to relieve the American Federation of the burden of jurisdiction squabbles, have taught the advantages of closer co-operation to some of the skilled trades, and are looked upon by some as an anticipation of true industrial organization.

A third function of the Federation itself can be treated more briefly. This is what may be termed the more strictly *trade* or *bargaining operations*—assistance to affiliated organizations, not merely in organization or in maintaining their jurisdiction as against other crafts or unions, but in conducting strikes, in getting shorter hours, higher wages, and better conditions generally. It may be stated at once that, because of the voluntary or trade autonomy principle upon which it is founded, and because of the restricted financial resources vouchsafed to it, the efforts and services of the Federation in this field have been limited indeed. In the main they

[1] Kirk, *National Labor Federation*, pp. 80-83, 97-98; *American Federation of Labor History*, 1919, p. 430, *et seq.*

[2] *American Federation of Labor History*, pp. 432-433; Savage, *Industrial Unionism*, pp. 38-40.

[3] *American Federation of Labor History*, 1919, p. 433; *Proceedings*, 1925, pp. 20, 36-38.

[4] *Proceedings*, 1922, p. 447, *et seq.*

have been of a remote and educational character rather than direct participation in industrial affairs. The "local trade unions" and "federal labor unions" attached to the Federation contribute to a defense fund which it maintains for their benefit and look to it for supervision. This, however, is quite commonly exercised through the central labor unions. Mention has been made already of the advice and other moral support which the organizers of the Federation are ready to give any affiliated union in time of strike. In the conduct of boycotts and in agitation for the union label, where appeal must be made to as wide a public as possible, the help of the Federation through its conventions, through the *American Federationist*, its monthly organ, and the *Weekly News Letter*, and through the Label Department has doubtless been real and valuable. Considerable credit was given to it quite early in its career for the success of the Brewery Workmen in establishing their label and in unionizing the breweries in Milwaukee, St. Louis, and elsewhere.[1] The bakers, cigarmakers, molders, garment workers, and other label trades have repeatedly looked to it for endorsement and publicity. The Federation sustained the United Hatters all the way through their long label fight with Loewe and Company and levied at least three special assessments during the years from 1909 to 1914 on their behalf.[2] It was the "We Don't Patronize" list of the *Federationist* that led to the suit of the Buck's Stove and Range Company against the officers of the Federation in 1907, and the sentence for contempt of court passed upon President Gompers, Vice-President John Mitchell, and Secretary Morrison.[3] There seems to have been a growing caution respecting boycotts; and requests are now acceded to only upon investigation and after an effort at adjustment by the Executive Council. In this way the Federation does come into more intimate contact with a considerable number of trade disputes.[4]

[1] *Proceedings*, 1891, p. 31; *American Federation of Labor History*, p. 433.
[2] Cf. *American Federation of Labor History*, p. 236, *et seq.*
[3] Cf. *ibid.*, p. 162, *et seq.*
[4] Cf., for example, *Proceedings*, 1914, p. 481, *et seq.*; 1919, p. 464, *et seq.*; 1922, p. 329, *et seq.*; 1925, pp. 366-371.

The Federation has sponsored and, to some small degree, supported several campaigns for the shorter working-day. This calls for a word regarding finances. The regular revenues of the A. F. of L. are derived from a per capita tax upon the full paid-up membership of all affiliated bodies. With the rising cost of living and expenses of the body, this has been gradually increased, until now the payment demanded from national and international unions is one cent per month per member, yielding in recent years in the neighborhood of a half-million dollars.[1] Expenses for salaries, traveling expenses, office rent, supplies, conventions, a deficit often incurred on publications, and other items have left little surplus for the accumulation of emergency or defense funds. Since 1890 the constitution has contained provisions giving the Executive Council a limited power to levy special assessments for the purpose of giving financial assistance to a national or international union engaged in a protracted strike—at present one cent per member per week—for a period not exceeding ten weeks in any one year.[2] But this power has been seldom used without the express authorization of the Convention. The leaders of the Federation have always advocated, even agitated for, a policy of high dues and accumulated funds on the part of the affiliated unions, for the stability and strength it gives to them and the movement in general;[3] and they have also repeatedly recommended a more liberal policy for the central body, in order that it might give more substantial and immediate assistance to unions engaged in trade disputes.[4] In 1913 the proposition came up through a resolution submitted to the Seattle Convention by the delegates from the Washington State Federation and the Central Labor Council of Seattle itself (a hotbed of progressivism), and was referred to the affiliated nationals by the Executive Council during the succeeding year. It involved giving power to the A. F.

[1] *Constitution*, art. X. *Proceedings*, 1921, p. 17; 1922, p. 18; 1925, p. 15. On increases, see *American Federation of Labor History*, p. 475.

[2] *Constitution*, art. XII.

[3] Cf. *Proceedings*, 1891, pp. 16-17, 45; 1901, pp. 14-15. Sakolski, *Finances of American Trade Unions*, pp. 37, 44.

[4] Cf. *Proceedings*, 1888, pp. 10-11; 1892, p. 15; 1896, p. 16; 1901, pp. 15, 162-163, etc.

of L. "to levy assessments, collect the same, and distribute them for the purpose of financially aiding strikes and lockouts of a national character." [1] But although in 1914 some nineteen unions voted for the measure, the spirit of trade self-sufficiency has in every case been too strong; and any grant of general taxing power to the Federation has been refused. Sovereignty goes with the control of the purse-strings, and the great national unions are not willing to relinquish it. The Federation has been compelled to get along with such niggardly sums and special levies as have been allowed to it. Even these, it would appear from a comparison of reported membership and of the yield of certain assessments (such as that for the organization of women workers in 1916),[2] are none too fully or willingly paid.

The first campaign for the eight-hour day undertaken by the Federation of Organized Trades in 1884-86 was a feeble effort, made in part at least to attract interest to the new order; and was largely without results because the Knights of Labor refused to co-operate.[3] Again in 1888 the reorganized Federation started propaganda for shorter hours and urged its affiliated unions to husband their resources for a general effort to be made in 1890. It ultimately seemed best to select one organization at a time to bear the eight-hour standard, and the Carpenters were the first to be chosen. A special levy upon the affiliated unions enabled the Federation to contribute somewhat over $12,000 to the support of the effort.[4] The Miners were to have carried on the struggle in 1891, with the Printers "on deck" for the year following; but the Miners backed out and the coming of hard times delayed further attempts.[5] The assessment made in 1896 was rather to support political efforts for eight hours than to aid strikes for that purpose.[6] The nine-hour struggle of the

[1] *Proceedings*, 1913, pp. 345-346; 1914, p. 62, *et seq.*
[2] *Proceedings*, 1916, p. 17; 1917, p. 22.
[3] Perlman in Commons, *History*, vol. ii, p. 376, *et seq.*
[4] *Proceedings*, 1890, pp. 15, 18.
[5] *Proceedings*, 1891, pp. 12-13; Perlman, *History of Trade Unionism*, pp. 131-132.
[6] *Proceedings*, 1896, pp. 71, 77-78.

Machinists in 1901 was endorsed and a five-cent assessment devoted to their interests;[1] and a four-cent assessment yielding $52,619.12 was contributed to the eight-hour fight of the printers in 1905-06.[2] There have been other less conspicuous cases where small assessments have been levied, or small loans made from the central funds, or "sympathetic appeals" launched on behalf of some struggling union. In general, however, the statement is justified that the services of the Federation in the industrial field have been of an intangible moral and educational nature—they have not been chiefly financial.

The three industrial departments of the Federation have gone somewhat further than the parent body in this matter of trade negotiations. The Building Trades Department inherited such a tendency from its predecessor, the International Building Trades Council; and joint agreements between local building trades councils and building trades employers' associations, to some extent under the supervision of the Department, are becoming the common practice.[3] The Metal Trades Department has since 1913 had a provision in its constitution permitting joint bargaining by metal trade workers in any plant; and during the war period the Department itself entered directly into agreements with several of the shipbuilding companies.[4] But the Railway Employees Department—before the War through its system federations, and during the War through national agreements directly entered into with the Railroad Administration—went the furthest toward becoming a true bargaining unit. It conducted the struggle against the abrogation of these agreements, and carried on the shopmen's strike in 1922.[5]

[1] *Proceedings*, 1901, pp. 14, 33.

[2] *Proceedings*, 1906, p. 17.

[3] Cf. Whitney, *Jurisdiction in American Building-trades Unions*, pp. 130, *et seq.*, 156; *Massachusetts Industrial Review* (Boston), October, 1922; pp. 12-16.

[4] *Proceedings of the American Federation of Labor*, 1914, pp. 450-451; 1922, 439-443.

[5] *The Case of the Railway Shopmen* (pamphlet) (1922); *Proceedings*, 1921, 1922.

7. THE BRITISH TRADES UNION CONGRESS

British workers have been even slower than their American cousins in perfecting central co-ordinating machinery, and not a whit more successful. Certain of their own countrymen and sympathizers have been so scathing in their arraignment of the impotence and inadequacy of existing organizations that mere outsiders need not fear to follow at a safe distance in their footsteps. Fortunately for the labor movement, some of these criticisms, particularly those of Mr. and Mrs. Webb, have been sufficiently intimate and conservative to receive a hearing; and, aided by industrial evolution and the pressure of post-war conditions, give promise of bearing belated fruit.[1]

The British trade union movement has had several heads; and the effect has not been, as might be supposed, to strike terror, but rather to excite pity or ridicule. The Trades Union Congress which for over thirty years after its first meeting at Manchester, in 1868, presumed to hold the field alone, and which is still the federal body having the largest affiliation and attracting most public attention, has through most of its history devoted itself to politics and legislation rather than to industrial and trade matters. It was adopted and first given importance by the London "Junta" in 1871, when the legal status of trade unions was so much in doubt; its executive council was called "the Parliamentary Committee"; and even after the "Criminal Law Amendment Act" was repealed and the "Employers and Workmen Act" was passed in 1875, it applied itself (with only moderate success, it is true) chiefly to lobbying and agitation for labor legislation. Even after it had sanctioned the establishment of the Labor Representation Committee in 1899 for the purpose of returning labor members to Parliament, and when this in 1906 developed into the Labor Party and became more influential than the parent body, the Congress and the Parliamentary Committee have been loath to surrender the political weapon.

[1] Cf. Webb, *History of Trade Unionism* (1920), pp. 554, *et seq.*, 700; Cole, *World of Labour*, p. 242, *et seq.*; Lloyd, *Trade Unionism*, pp. 66, *et seq.*, 201, *et seq.*, 246, *et seq.*

Matters to be accomplished, if at all, only by legislation, have continued to occupy almost sole place upon the agenda of the annual gatherings; and several hundred delegates—many of them secretaries of affiliated unions and almost all of them gifted with marked oratorical powers—have continued to spend a joyful week discussing the state of labor in the nation and passing the same resolutions year after year. The Congress has remained until recently, as Mr. and Mrs. Webb described it in 1894, a parade or pageant of the labor forces of Britain rather than a practical working body; and its pronouncements have come to be looked upon even by participants as of little more significance than the periodic rise and fall of the tides. In order to preserve the desired degree of unity and harmony for its political efforts, the Congress almost wholly ignored purely trade matters. It did not undertake to assist its affiliated unions in perfecting or extending their organization; it did not find it necessary for its political functions to exercise careful scrutiny over applicants for affiliation; and it made little attempt to arbitrate jurisdiction disputes between rival unions. In short, it did not represent the interests of business unionism.

The losses suffered in 1897-98 in the engineering strikes opened the eyes of unionists to the need of mutual aid upon the economic field. And the Trades Union Congress in 1899 (the same year in which it delegated part of its political functions to the Representation Committee) was induced to father the "General Federation of Trade Unions." This body, independent from, but running parallel with, the Congress, and to be composed, it was hoped, of the same affiliated unions, was to look after industrial operations—more especially the giving of financial and other assistance during strikes undertaken or meeting with its approval. For the purpose of adapting its machinery to the resources of different classes of workers, two grades of dues with corresponding scales of strike-benefit were established. Considering the difficulties with which it had to contend, the lack of cohesion at the time among British unions, the wide differences in skill and wages, and the record for failure of all previous attempts of like

character, many think that the General Federation did well to survive. It has done more than that. Particularly under the leadership of its secretary for many years, W. A. Appleton, it has performed some very useful service for a limited constituency. It has been much more faithful to the spirit of practical business unionism than the Trades Union Congress itself. Being interested financially and otherwise in the maintenance of industrial peace, its officers have cultivated the confidence of employers through an attitude of moderation and sweet reasonableness. Several times it has been reduced almost to bankruptcy through long periods of industrial strife; but each time it has been able to come back. Within its narrow sphere it has arbitrated a number of inter-union controversies. For twenty years or so it was the sole representative of British labor at the conferences of the International Federation of Trade Unions; and withdrew in 1920 chiefly because its officers held, as President Gompers did, that the International had gone off after false gods and was no longer trade union in character.[1] Since 1911 the Federation has acted as an "approved society" under the National Insurance Act; and in this, as well as in some other forms of insurance, has been of much help to many smaller and weaker groups that could not perform this service for themselves.[2] In fact, this has in recent years become its main function.

But the General Federation has not been able to become "general." At no time in its history has it included within its ranks more than from a fifth to a fourth of British unionists. While it has retained the allegiance of several of the larger and stronger organizations, a large proportion of the 120 societies affiliated with it in 1924 were small bodies with a membership of from a few hundred (some less than a hundred) up to a few thousands, much more likely to receive benefit than to contribute strength.[3] The Engineers left a

[1] *Twenty-second Annual Report,* 1921, pp. 19-28.

[2] General Federation of Trade Unions, Approved Society 110, *Report and Agenda,* 1922 (London); *Twenty-second Annual Report,* pp. 6, 8, *et seq.;* Webb, *History,* p. 555.

[3] Ministry of Labour *Gazette* (London, November, 1925), p. 379; General Federation, *Annual Report,* 1922, pp. 50-52. The aggregate membership of affiliated societies in 1924 was 834,000.

large gap in 1915 when, having become weary of financing other people's troubles—sometimes those of smaller rivals—they withdrew. The attitude of the Miners was about the same time changed from one of indifference to one of open hostility toward the Federation. And the Trades Union Congress itself, partly because of temperamental differences between its leaders and Mr. Appleton, and partly because of dispute over representation at the International Federation, has taken more and more the attitude of a step-parent. In short, the Federation was not able to win full support until it had demonstrated its usefulness; and it could not demonstrate its full usefulness until a large measure of support had been accorded to it.

Yet, when it was realized after the War that something must be done to bring about greater unity and power on the economic field, the logical and desirable solution would seem to have been fusion for this purpose between the Federation and the Congress. Instead, the Federation was rather rudely thrust aside, and was excluded from the joint board of federal bodies established to reconstruct the central machinery of the movement.[1] In recent years one seldom hears the name of the Federation mentioned in British labor circles. But it continues, as already stated, to function chiefly as an insurance society.

The Trades Union Congress, indeed, is, after much delay and with painful slowness, trying to build a new place for itself in the labor world. A co-ordination committee was appointed, and reported a plan of reorganization at the Congress of 1920. As amended and adopted in principle by that Congress and put into effect by the succeeding Congress at Cardiff in 1921, this plan substitutes for the old Parliamentary Committee a "General Council" of thirty-two members, nominated by the affiliated unions to represent their respective industrial groups, and elected by the Congress as a whole. The eighteen groups are given representation roughly accord-

[1] *Annual Report,* 1921, p. 23; Appleton, *What We Want and Where We Are* (London, 1921).

ing to their relative numerical strength—the mining and quarrying group, for example, having three members in the original distribution, the engineering group and railway group also three each, the general workers, four, while the printers and paper workers, the clothing trades, the agricultural workers, and several others, have but one each. In order to insure that the interests of women workers are not neglected, unions including women in their membership are allocated to a special group entitled to two members on the Council. The General Council, in turn, is divided into five subcommittees or groups composed of the representatives of industrial groups most likely to have common or conflicting interests; and these group-committees are expected "to cultivate the closest possible contact with federations and other bodies representing the same interests outside the General Council" [1]—a function similar to that of the departments in the American Federation of Labor. The significant features of the new plan, however, are rather in the new duties assigned to the General Council under Standing Order No. 12. They include exactly those functions which the Parliamentary Committee and the Congress have been so much criticized for neglecting: (1) the promotion of common action on general industrial questions, such as wages and hours, and assistance to any union which is attacked on a vital question of trade union principle; (2) using its influence to settle disputes between unions; (3) assisting unions in the work of organization; (4) cultivating international solidarity.[2] Provision is also made for joint effort in the direction of research and publicity between the General Council and the Executive Committee of the Labor Party under the control of a National Joint Council; and the Southport Congress of 1922 adopted the plan of taking over the London *Daily Herald* and making it the official organ of the Congress and the Party.[3]

[1] *Proceedings of the Fifty-second Annual Trades Union Congress* (London, 1920), p. 313.

[2] *Ibid.*, p. 313.

[3] Trades Union Congress, *General Council's Report to the Fifty-fourth Annual Congress* (London, 1922), pp. 47-51; *Daily Herald*, September 6, 1922, p. 1; *Proceedings of the Fifty-fourth Annual Trades Union Congress*, 1922.

After such a proposal had been discussed and deferred at several congresses, the Congress at Hull in 1924 finally granted the General Council somewhat ampler powers in trade disputes. Affiliated unions are to keep it informed as to the matters of dispute between them and employers or between the unions themselves; but the Council is to intervene only when requested to do so or when negotiations in the trades affected break down and when there is prospect of a deadlock that will affect other trades. Then it may call representatives of the parties together and use its influence for a settlement. When employers prove obdurate, the Council may then take steps to bring the moral and material support of other unions to the aid of the trade involved.[1] The Congress at Scarborough in 1925 again refused, however, to give the Council power to levy directly upon unions in support of a strike or to call for a stoppage of work in sympathy with a union. That, as the late Fred Bramley stated, is not a power which the General Council itself is at present seeking, because it recognizes the responsibilities and the possible bad effects upon union discipline which it would bring with it.[2]

It is too early at this writing to predict just how this reorganization scheme will work out, or just how successful it will be in bringing about greater unity and more attention to industrial matters in the British labor movement. Those who have attended recent Trades Union Congresses could hardly testify that this body has immediately been transformed into a businesslike, non-political gathering. The habit of years is strong and the political phase has been especially in the ascendancy during the business depression. Perhaps there are too many M. P.'s in evidence. So far, indeed, the change from the Parliamentary Committee to the General Council appears to involve an increase of duties and responsibilities without a corresponding increase of powers for their proper execution. Certainly, however, it is a step in the right direction. So much depends, as in all such cases, upon

[1] *Proceedings,* 1924; Fyfe, Hamilton, "New Epoch in Trade Unionism," *Labour Magazine,* October, 1924, p. 270.

[2] *Labour Magazine,* October, 1925, pp. 247-248.

personnel and the prestige which the Council can win by actual experience and performance, rather than upon any mere constitutional changes. The activities of the Council as a whole or through its "Disputes Committee" and other committees, during the past few years, in settling or trying to settle trade disputes and jurisdiction disputes, in promoting amalgamations among kindred unions, in stimulating organization through "trade union weeks" and in other ways, and in reviving the economic status of the trade councils, all make a commendable showing and are much beyond anything attempted under the old order.[1] The handling of the miners' dispute in the summer of 1925 added materially to the prestige of the Council, although the temporary settlement effected was essentially political rather than economic.[2]

Not so much can be said of the conduct of the so-called "general strike" in May, 1926, which was also ostensibly placed in the hands of the General Council. Neither the beginning nor the ending of that brief but spectacular struggle was such as to shed much glory on this new "central co-ordinating machinery." At a time when the Council was still carrying on negotiations with the Ministry looking toward a peaceful settlement satisfactory to the miners and the owners, the printers on the *Daily Mail*, acting independently and without authorization, precipitated a rupture by refusing to print an edition of the paper containing what they considered an unfair editorial. And the Ministry, apparently without inquiring whether this action of the printers had official sanction, and feeling that, in the face also of a report that orders for strikes in other industries to become effective within two days had already gone forth from union offices, its position as peace-maker was no longer free or honorable, broke off all relationships with the Council, and appealed to Parliament and the country for support against what it interpreted to be

[1] Conferences have been held, for example, among the metal and engineering workers, in the printing trades, among the General Workers, and for textile workers other than cotton. (Cf. files of *Daily Herald* and *Labour Magazine*, 1923-25.)

[2] Cf. Citrine, W. M., "Lessons from the Mining Dispute," *Labour Magazine*, September, 1925, pp. 198-200.

a revolutionary movement. The spokesmen of the Council, notably J. H. Thomas of the Railwaymen, persistently declared that they had not been a party to the *Daily Mail* incident, and that the dispute was merely "a plain economic-industrial" one to secure justice for the miners. But when, after about a million and a half workers, largely in transportation lines, besides about a million miners, had been out some eight days, the members of the Council again had a conference with the Ministry, called off the strike, and accepted certain bases for a return to work and for further negotiations, the Miners' Federation under the leadership of A. J. Cook declared it had not been a party to the agreement, and continued the struggle.[1]

8. INDUSTRIAL UNIONISM

In Great Britain, as in America, it is recognized that further unification at the top and the grant of larger powers to central federations like the Trades Union Congress and the American Federation of Labor must wait upon more complete and effective organization at the bottom. Greater solidarity of the union movement as a whole cannot be expected to precede, but must be founded upon, a broader spirit and a more thoroughgoing co-operation among related trades and within each industrial group. Barring the close relationship which we have found to exist within each particular craft, the most intimate contacts—chances for friction and chances for mutual assistance—are among workers engaged upon the same material or under a common management; and it is here that the forces of cohesion and adhesion must still do their work. The general federation may be able to foster, but it cannot force, closer union among these diverse elements.

It remains, therefore, to review further the evidence that organization along industrial lines is making substantial progress. This has all of the difficulties of a highly controversial subject. It brings up at once some of the most bitter criti-

[1] Cf. Hayden, Ralston, "Great Britain's Labor Strife," *Current History*, June, 1926, pp. 315-322. Fyfe, Hamilton, in New York *Herald-Tribune*, May 7, 1926, p. 2; May 11, 1926, p. 2. New York *Herald-Tribune*, May 13, 1926, pp. 1-2.

cisms made upon unions as they are: the question whether they are aristocratic or democratic; whether in striving to improve the condition of some sections of the wage-earners they are denying to others that equality of opportunity which has come to be cherished as an ideal; whether the skilled trades have done their full duty on behalf of the unskilled; and whether, apart from such a helping hand, any really effective and permanent economic organization is possible for the unskilled. It has an important bearing, also, upon the proposals of the socialists, the syndicalists, and the guild socialists, for evolution here has not been left wholly to blind economic forces. There have been guides and interpreters and prophets in plenty. These radical groups, as already stated, have been consistent advocates of an industrial type of organization and have even sometimes been so impatient that they have launched or sponsored dual organizations like the old Socialist Trades and Labor Alliance and the I. W. W. More recently and more wisely, their influence has rather been exerted within the ranks of existing unions, shaping them as rapidly as possible according to a more liberal and more inclusive model. In fact, several careful students of union structures are of the opinion that, whatever purely economic forces may be making toward industrial unionism, it will never be generally realized, and the skilled, the semi-skilled, and the unskilled induced to sleep in the same bed, except through the inspiration and rebirth brought about by the wide acceptance of a radical social philosophy.[1] Religious experience shows that the conception which men have of the future life does materially influence their attitude and conduct toward their fellows; and the vision of a greatly improved social state in this world may, therefore, make people broader-minded and more cosmopolitan. Certain it is that, whether or not this has been an important cause in leading them to take on this form, or whether it is rather a result of the predominance of low skilled workers who have least to hope for

[1] Cf. Savage, *Industrial Unionism in America*, chap. x; Budish and Soule, *The New Unionism* (New York, 1920), pp. 172-173; Glocker, "Amalgamation of Related Trades," *American Economic Review*, vol. v (1915), p. 575.

from purely union methods, most industrial unions in both America and Great Britain are imbued with advanced and even socialistic views. Yet, for the discussion of business unionism, so long as they engage in collective bargaining and make trade agreements with employers on behalf of their more varied constituencies, why call them "unclean" or exclude them from the fold?[1]

If we are to understand by an industrial union one which includes and works as a sovereign unit for all grades of labor within an industry, there can be no question but that this form is being steadily approached, even though as yet seldom fully attained. Several unions in America have been organized from the beginning upon this basis. The United Mine Workers have been mentioned as one which, owing to the relative isolation of the industry and the predominance of the miners over all auxiliary trades, claimed and was early conceded by the American Federation, to have jurisdiction over all workers in and about coal mines. And this precedent was somewhat unwillingly followed in 1911 when the Western Federation of Miners was rechartered and asserted a similar control for metal miners.[2] The Brewery Workmen were so early in the field as almost to forestall objections to their inclusive type of organization; but only in 1908 were their full claims respecting the teamsters, engineers and firemen, and other trades sanctioned by the Federation. Since the passage of the Volstead Act they have been an organization in search of a new constituency, and have offered hospitality to workers in several of the previously unorganized food trades.[3] The Seamen, also because of isolation, aspired from the beginning to include all who make a living on the sea; but they have so far been spurned by the more highly skilled engineers, mates, and pilots.[4] The Longshoremen have never been able

[1] Organizations like the I. W. W., however, which refuse to make contracts and which emphasize more largely their ultimate revolutionary goal, may better be discussed under the subject of syndicalism. (Cf. Marot, *American Labor Unions*, p. 106, *et seq.*)

[2] *Miner's Magazine* (Denver, July 20, 1911), p. 8; August 24, 1911, pp. 4-5. *Machinists' Monthly Journal* (Washington, October, 1911), p. 992.

[3] Cf. Savage, *Industrial Unionism*, chap. ii.

[4] Savage, *op cit.*, pp. 33-34.

to overcome the difficulties of race competition, but at least they have been democratic so far as the different branches of the work are concerned; and the Marine Workers' Affiliation of the Port of New York formed in 1917 helped, at least for a time, to bring greater unity among the water-front and harbor trades of our greatest seaport.[1]

But the clothing trades have in a more recent period furnished the most striking examples of the "new unionism." Even the old United Garment Workers, founded in 1891, professed to be open to all workers in the industry, and has remained sufficiently jealous of all rivals; but it soon fell under conservative influences, became a close corporation, and is now largely confined to the overall branch.[2] The International Ladies' Garment Workers Union, established in 1900 and affiliated with the American Federation of Labor, has the jurisdiction which its name implies; and, particularly since 1910, when the famous "protocol" agreement was entered into with the cloak, suit, and skirt manufacturers, has demonstrated what an inclusive organization can do to bring order out of chaos and to improve working conditions in a highly seasonal and competitive industry.[3] The Amalgamated Clothing Workers, formed in 1914 by seceders from the United Garment Workers and for that reason never admitted to the councils of the American Federation, represents those engaged on men's and boys' clothing, and has had an even more spectacular career. The statesmanship and constructive measures of its leaders, as illustrated in the Hart, Schaffner and Marx agreement of 1916 and in those in other clothing centers since, combined with the idealism of its membership, have won admiration in many different quarters.[3]

[1] Squires, "The Marine Workers' Affiliation of the Port of New York," *Journal of Political Economy* (Chicago), vol. xxvii (1919), pp. 840-874; Savage, pp. 34-37; Barnes, *The Longshoremen* (New York, 1915), chap. viii.

[2] Budish and Soule, *The New Unionism*, pp. 73-76; Savage, p. 207.

[3] Levine, Louis, *The Women's Garment Workers* (New York, 1924); Cohen, *Law and Order in Industry* (New York, 1916), *passim.*; Budish and Soule, *op. cit.*, p. 80, *et seq.*; Savage, *op. cit.*, p. 233, *et seq.*; United States Bureau of Labor Statistics, *Bulletin* nos. 144 and 145; Perlman, *op. cit.*, p. 219, *et seq.*

[4] Cf. Savage, pp. 205-231; Budish and Soule, p. 85, *et seq.*; *American Labor Year Book*, 1919-20, pp. 177-185; 1921-22, pp. 172-177.

A large number of unions, however, have been moving gradually toward a more inclusive type of organization through the compelling power of circumstances: some through efforts to enlist, either within their own ranks or in separate branches, the less skilled and hitherto largely unorganized workers in their industries; some through the half-way house of industrial federations; and some through complete amalgamation of pre-existing unions. The real test of the growth of industrialism is to be found in the extent to which workers of different grades of skill combine and bargain together. For this reason even a somewhat loose and feeble industrial federation including all ranks and grades may be regarded as a more significant development than the absolute merger of two or more unions whose members are of approximately equal skill and standards. The federation may prove an inadequate instrument, but it will serve as a school of co-operative effort and may awaken a desire for a more perfect union.

The initiative toward a more complete industrial integration must, of course, be taken in most cases by the more skilled. That is the reason why it has been so long delayed. These more fortunate groups have been quite content to imitate ancient Greek democracy in neglecting the welfare of the inferior orders at the base of the social structure. They have learned the folly of this neglect only through hard knocks; and it appears that many of them are not converted even yet.

The existence in an industry of a mass of unorganized workers who have opportunities to observe and perhaps to acquire a smattering of the craft of those with whom they work, or who are already performing simplified portions of the work, is a standing menace to an aristocracy of skill. If the unions do not look out for them and take them in, the employer will, and will use them to beat down the standards already won with so much difficulty. The outcome, for example, of the shopmen's strike upon the Illinois Central and Harriman lines in 1913-14, and the more recent experience of 1922-23 upon eastern railroads, show that the management of such great enterprises can get along, not satisfactorily to

the public, it is true, and perhaps at a sacrifice in dividends, but can get along for months without the help of the skilled men in the unions.

And low-skilled or semi-skilled workers have not been very prompt nor very successful in organizing themselves against exploitation. The immediate problem does not so much concern the unskilled general laborer, who very often has no firm attachments either to a given locality or a given industry. His lack of permanency, the usual overabundance of his type, and his limited financial resources do not make him promising material for the labor organizer. The large "general labor" unions in Great Britain, three of which amalgamated in 1923, have, with the aid of popular sympathy for their cause, won some splendid victories; but they always slump badly in periods of depression, and are always stronger in members than they are in bargaining power. The case here involved is rather that of the helpers and the semi-skilled machine-minders or specialists, who are often young persons, flattered by the relatively good pay which they are able to earn without having taken the time and trouble to learn a whole trade, and tied by the very limitations of their training and experience to a particular task in a particular industry. These lack the incentive to organize, and easily play into the hands of the employer to the detriment of the organized craftsmen.

There has been a marked liberalization in the constitutions of American unions with respect to this class of workers, although there has not always been as yet corresponding zeal or success in bringing them into the organizations. The Amalgamated Association of Iron, Steel and Tin Workers, which was originally composed exclusively of skilled workmen, has successively enlarged its scope until, since 1911, even common laborers in the industry are eligible to membership.[1] But at the time of the steel strike in 1919 it was still chiefly made up of the older skilled workers. The great obstacles in the way of extending organization in the plants of the Steel Corporation may be admitted. Yet the conduct of the

[1] Robinson, *The Amalgamated Association of Iron, Steel and Tin Workers* (*J. H. U. Studies*, 1920), pp. 42-45.

Association, working in conjunction with twenty-three other national unions affiliated with the American Federation in that struggle—its small contributions and its early abandonment of the field—did not indicate a proper missionary fervor.[1]

The metal trades which have been especially afflicted with the specialist problem, particularly the Boilermakers, the Blacksmiths, and the Machinists, have been driven to organize their "helpers," sometimes in separate locals, but more commonly of late in the same branches with full-fledged craftsmen. The latter method insures their being trained in the way they should go, and maintains better discipline. The Machinists admitted advanced helpers in 1903 and helpers proper in 1911; and have since made provision for lodges of specialists with a lower scale of dues in conformity with their lower wages.[2] Here, also, it has been found that it takes more than constitutional amendments to bring about organization; and the number of new members taken in has by no means kept pace with the growth in the number of semi-skilled workers in machine industries. In fact, the Machinists have several times been so near to despair about their trade that they have been prime movers for an amalgamation of all metal trades into one inclusive industrial union.[3]

The Boot and Shoe Workers, although they seem doomed to have difficulties with dual organizations, are an organization that has eliminated jurisdictional troubles by including all workers in the industry. The lasters who were formerly outside were sufficiently humbled in their craft pride through the introduction of machinery to be willing to come in. The Locomotive Engineers and Locomotive Firemen and Enginemen, because members of the latter organization often

[1] Cf. Foster, *The Great Steel Strike,* pp. 228-233, 244, *et seq.;* Interchurch World Movement, *Report of the Steel Strike of 1919,* p. 179, *et seq.;* Savage, *Industrial Unionism,* pp. 50-58.

[2] Ashworth, *The Helper in American Trade Unions* (*J. H. U. Studies,* 1915), chap. iii, esp. p. 92, *et seq.* Wolfe, *Admission to American Trade Unions* (*J. H. U. Studies,* 1912), pp. 63-64. *Machinists' Monthly Journal* (Washington, March, 1913), p. 257, *et seq.;* May, 1913, pp. 458-459; March, 1914, pp. 463-464, etc.

[3] Cf. *Machinists' Monthly Journal,* vol. xxvi (1914), pp. 375-378, 545-546, 903, 1035-1038.

began driving before they were admitted (or never even sought admission, because of the higher scale of dues) to the senior body, have since 1913 maintained a joint agreement for the protection of their standards and have discussed complete amalgamation.[1] The Cigarmakers while, as we shall see, clinging rather firmly to apprenticeship regulations, have none the less seen fit to include all branches of the trade. In general, there is a growing conviction among unionists that it is better to have potential or actual competitors inside rather than outside.

Industrial federations have had a much more extensive development in Great Britain than in America. There were 101 federations reported for 1921 by the British Ministry of Labor, most of them industrial, although some were still confined to localities or districts. According to the estimates then made, the unions in several of the major industries approached complete federation, mining being 100 per cent federated; paper and printing, 99 per cent; iron and steel and other metal, 96 per cent; textiles, 95 per cent; woodworking and furniture, 94 per cent; and building, 97 per cent. And most of them (with the notable exception of the iron-founding, engineering, and shipbuilding group, which suffered from the non-adherence of the Amalgamated Engineers) showed marked increase in the percentage affiliated as compared with the year 1913.[2]

The powers and functions exercised by these different federations of course vary widely. But there is a significant tendency to rely more and more upon them in bargaining and making agreements with employers who have themselves become more thoroughly organized. The cotton operatives have long supplied an example of successful federation in a relatively concentrated industrial area where conditions are quite

[1] *Locomotive Engineers' Journal* (Cleveland, June, 1918), p. 501, *et seq.*; November, 1918, p. 951; esp. October, 1918, p. 868, *et seq.*

[2] *Ministry of Labour Gazette,* December, 1922, pp. 475-476. For 1924 there were eighty-seven federations reported, the decrease being accounted for in part at least by amalgamations. Some declines are also noted in the percentages of affiliation. (*Labour Gazette,* November, 1925, pp. 378-379.)

uniform.[1] The Miners' Federation, established by a number of county federations in 1888 and including practically all organized miners since 1908, has conducted several strikes of national scope, and has aspired to exercise bargaining powers characteristic of a more unified organization.[2] The National Federation of Building Trades Operatives—unquestionably influenced like the Amalgamated Woodworkers, one of its constituent bodies, by the guild socialist ideal—has since 1917 represented all building trade crafts upon a "National Wages and Conditions Council," and has helped greatly in bringing stability as well as a greater uniformity of wages and hours throughout the industry.[3] The united front which it presented to the employers early in 1923 against further post-war reductions in wages and lengthening of hours even won the admiration of G. D. H. Cole, who has usually shown little faith in federations.[4] The Printing and Kindred Trades Federation was formed in 1898 and now includes twenty-three out of a total of twenty-seven unions in the printing and publishing industry. Its objects are of a distinctly trade character and, while it has been unable on account of lack of unanimity among the unions, to do much with respect to wages, it has helped to settle some jurisdiction disputes, and is given much credit for bringing about the forty-eight-hour week and favorable holiday agreements.[5]

The value of federation has found an able and enthusiastic advocate in Robert Williams, Secretary of the National Transport Workers' Federation. His organization has itself approached an amalgamation through the union in 1921-22

[1] Cf. Webb, *Industrial Democracy,* pp. 123-125; *History of Trade Unionism* (1920), pp. 475-480; Cole, *World of Labour,* pp. 247-250.

[2] Cf. Webb, *History,* pp. 610-622.

[3] Cf. Hicks, President George, in *Operative Builder* (London, September, 1922), pp. 63-65; *Operative Builder* (London, March, 1922), pp. 21-24; Amalgamated Society of Woodworkers, *Monthly Journal,* June, 1922, pp. 266-269.

[4] Cole, "The Builders' Fight and Yours," *New Leader* (London, February 9, 1923), p. 8; also, January 26, 1923, p. 7. Cf. *Daily Herald,* January 27, 1923, p. 6, upon the pooling of executives and organizing resources by the unions of the Federation.

[5] Ludlam in *Typographical Circular* (Manchester, October, 1922), pp. 13-14; cf., also, for criticisms of its loose structure, Anthony in *Typrographical Circular,* June, 1922, p. 7; and *Typographical Circular,* February, 1923, p. 4.

of twelve of its affiliated groups, constituting the majority of its membership, under the name of the Transport and General Workers' Union;[1] and it has been favorable to all efforts to federate with the three principal railroad unions and with other trades. Mr. Williams contends that through the negotiations which the Transport Workers' Federation has carried on in turn for its constituent groups—the dockers, the 'bus men, the general workers, and others of similar grade—it has given them the advantage of bargaining experience and machinery such as they could not supply for themselves, and has brought to the comparatively unskilled man wages and conditions much more nearly commensurate with his services and deserts. Several attempts have been made to bring about federation or even amalgamation within the railway industry among the National Union of Railwaymen, the Railway Clerks, and the Associated Engineers and Firemen; but these organizations have so far not all been willing at the same time.[2] Perhaps the most ambitious effort in the way of federation, going even beyond the former Triple Alliance, was the conferences during 1925 among the railwaymen, the miners, the transport workers, and the engineers to discuss the formation of an "Industrial Alliance" for mutual support on wages, hours, strikes, and troubles in general.[3]

Thus federation has its victories and its hopes. But there are some who think that these are fleeting, that discipline under the federated form is likely to be poor, and divorce too easy. Hence in Great Britain we find such *amalgamations* as the Amalgamated Engineering Union, the National Union of Railwaymen, and others no less ambitious if less well known.[4] The case for these might seem to be much the same as that for several American unions which have had the industrial form almost from the beginning. But the difficulties

[1] Cf. National Transport Workers' Federation, *Report of the Twelfth Annual General Council Meeting* (Cardiff, 1922), pp. 23-24.

[2] *Ibid.*, pp. 11-12; *Railway Review* (London, July 14, 1922), p. 6; *Daily Herald*, January 26, 1923, p. 6.

[3] Labour Research Department, *Monthly Circular*, June, 1925, p. 114; December, 1925, pp. 278-279.

[4] Cf. Webb, *History*, pp. 550-552.

of perfecting such organizations are considerably multiplied the later the job is tackled. There was, for example, until 1917 a British law requiring for amalgamation an affirmative vote of at least two-thirds of the membership of each of the uniting bodies; and, allowing for wide dispersion and a large degree of indifference, this was very difficult to obtain. Even in the amended act a majority of 20 per cent in a vote of at least half the membership is requisite, and that is none too easy to obtain.[1]

Then, as the A. E. U. and the N. U. R., just mentioned, have found out, there is so much more likelihood of treading upon other people's toes, when the effort to form an inclusive organization is made after the field has already been long occupied by separatist bodies. Officialism and accumulated funds have been mentioned as obstacles. Doubtless the poverty of British unions in recent years may be regarded as a development favorable to amalgamation. On the other hand, a leading official of the Amalgamated Engineers attributes the depleted treasury of his once wealthy union to the disease of "too much amalgamation." New men in the engineering trades, perhaps not able to pass the requirements of the old A. S. E. respecting skill, health, and character, or deterred from joining it by the seemingly high dues, have none the less felt the need of organization and have formed independent unions. These young organizations got along quite cheaply so long as their members were still in the prime of life, but, with the advancing age of their members, saw the advantages of shifting their burden to the larger union. And the rising spirit of industrial unionism or the desire for members and political influence impelled the rank and file of the older body, often against the advice of their officers, to vote them in. Once inside they have become a serious financial problem, and all actuarial basis for the insurance features of the union is gone.

Although the structure of A. E. U. and the N. U. R. was largely anticipated in their predecessors, these organizations

[1] Cf. Hicks "Future of Trade Union Organization," *Labour Magazine* (London), vol. i (1922), p. 303.

have not found their claims to general jurisdiction over all workers in their respective fields (the A. E. U. is not strictly an industrial union since machinists and other metal workers belonging to it are engaged in many industries) readily admitted by unions already cultivating part of the field. The Railwaymen, with their rule giving eligibility to "any worker employed on or in connection with any railway in the United Kingdom," have found themselves in conflict with the Engineers over the shopmen, and with the Railway Clerks as to which shall look out for the interests of salaried employees.[1] Industrial unionism may be all right when it becomes the general fashion; but it is painful to try to set the style. Out of some six major efforts which it had made at bringing about amalgamations, the General Council reported in 1925 that four still hung fire.[2]

9. CONCLUSION

No categorical answer can be given to the question of what is the best structure for a union. The complex and changing relationships which workers in different crafts and industries have with one another call for a large element of elasticity. Little can be added to the proposition first stated by Mr. and Mrs. Webb a quarter of a century ago:

> The most efficient form of Trade Union organization is therefore one in which the several sections can be united for the purposes that they have in common, to the extent to which identity of interest prevails, and no further, whilst at the same time each section preserves complete autonomy wherever its interests or purposes diverge from those of its allies.[3]

That conforms to the view of unionism as a business undertaking with collective bargaining as its chief object; and it permits craft unionism or industrial unionism, federation or amalgamation in various degrees and shades of inclusiveness

[1] Webb, *History*, pp. 531, *et seq.*; Cole, *World of Labour*, p. 226-227. *Railway Review*, July 7, 1922, pp. 2, 4; July 14, 1922, p. 1; September 1, 1922, p. 1; September 8, 1922, p. 1.

[2] Cf. Tracy, Herbert, "Trade Unionism Makes History," *Labour Magazine*, September, 1925, p. 196.

[3] *Industrial Democracy*, pp. 139-140.

and authority, as the circumstances of the time dictate. The only danger lies in crystallization and the failure to keep abreast of conditions. The progress of integration and inter-union co-operation would undoubtedly be much more rapid if organizations or groups which feel that they have special interests to safeguard could be assured of some workable scheme for minority or proportional representation. The National Union of Railwaymen in Great Britain seems to have accomplished this end by its plan for departmental as well as district representation upon the executive committee—four grades of workers each electing a member in each of the six electoral districts.[1] The Amalgamated Engineers, on the other hand, have long been criticized for obstructing the real growth of unity by ignoring all sectional and occupational differences.[2] The way in which the Boot and Shoe Workers, the United Mine Workers, the Clothing Workers, and other complex organizations in the United States succeed in fixing the wage-scale for their different grades of workers indicates that a dead level of mediocrity will not necessarily result from industrial unionism.

It may well be that both aspects of evolution, that of integration and that of differentiation, will continue to go along together in the union world as they have hitherto. Some union methods, such as the strike, the boycott, the union label, and political activity, can be best employed by larger and more inclusive groups; others, such as the control over apprenticeship and certain at least of the benefit features, imply a more restricted and specialized group with more uniform incomes and more complete identity of interests. The campaign for shorter hours and better sanitation is something which all workers in an industry can unite upon. Wage-scales involve more diversity; and while the general standards may be sketched out by a national, federal, or industrial body, many of the details of the picture must, as now, be filled in by local, district, or craft unions. There is, in fact, no reason, aside

[1] *Rules* (1920), pp. 9-10. Cf. Cole, *Introduction*, pp. 31-34.

[2] Cf. Webb, *Industrial Democracy*, p. 131, *et seq.*; Cole, *World of Labour*, p. 230.

from the expense, why the same individual should not be affiliated with several different organizations according to the variety of his interests and relationships, just as the same person may be a stockholder in several different corporations or belong to several different clubs or lodges. Greater ease of transfer would be advantageous to those groups of workers who are frequently shifting from one employer or industry to another. This has been quite fully provided for as between different localities within the same craft; and, if industrial unionism is to develop, must be applied industrially also. Of one thing the workers are increasingly certain—a man's union should go with him all the way and he should never be without its protection and assistance.

CHAPTER XI

COLLECTIVE BARGAINING

1. UNION POLICIES AND METHODS IN GENERAL

THE principal weapons which the unions have used in their upward struggle have already been mentioned somewhat incidentally in our aeroplane survey of union development. A "close-up" view and analysis are necessary to determine their effectiveness and value. The standard equipment and tactics are somewhat as follows: (1) certain restrictive policies: (*a*) with reference to entrance to the trade and to the union (union-shop, apprenticeship, initiation fees, dues); (*b*) with reference to the conduct of industry (machinery, output, discharge and promotion, hours); (2) financial and insurance features (out-of-work pay, strike pay, disability and death benefits, pensions); (3) militant tactics (strikes, boycotts, the union label).

Unionism, as a whole, centering in collective bargaining, is, of course, to be judged according to its effectiveness in meeting the evils of unemployment, overstrain, industrial accidents, occupational disease, inadequate wages, wealth-concentration, and inequality of opportunity, which have been presented as the chief planks in the indictment of labor against modern capitalism. The defenders of unionism need not be expected to demonstrate that it is also positively beneficial and advantageous to employers as a class, desirable as that might be; but they are called upon to show that it does tend to restore the balance in the industrial world, and is a substantial help to the workers without doing material injustice to employers or injury to the public. The good that it does one of the three parties must not be counterbalanced by the harm that it does the other two. Admitting that social con-

siderations may sometimes transcend the purely economic, it is none the less vital to determine whether any of the union policies indicated and actually put into practice violate generally accepted economic principles; for, if they do, the presumption is certainly against them. If we are willing to accept the necessity of collective bargaining under present industrial conditions, and, further, to regard the union as the chosen representative of labor in that process, then we must be willing to concede to the union such recognition, powers, and policies as will enable it to play its part effectively. Each policy, therefore, is to be weighed, in turn, according to the contribution which it makes to this leading object, with the probability that, if it does not so contribute, it involves a waste of energy and could be better attended to by other organizations or agencies.

Just which policies are most useful and what is their relative value and defensibility will depend upon the circumstances confronting the union at any particular time. Violence and other illegal methods on either side may at once be ruled out as unnecessary, unsocial, and most likely to defeat their own purpose. On the other hand, it can hardly be expected that labor unions will develop all of the quieter and more popular graces and virtues, so long as they are compelled to fight for their very existence. A measure of opposition is always quite desirable to promote solidarity and to prevent high-handed excesses; but war-to-the-death does not bring out the best and most lovable qualities of men. The willingness of employers to meet them half-way and to talk over grievances gives the unions some place to stand upon and has a wonderful moderating influence upon their leadership and tactics. Here again, the "palliations known or secret of the offence" should be taken into account.

2. NEED OF COLLECTIVE BARGAINING

Not everyone, however, even in this enlightened age, is willing to grant the necessity of collective bargaining; or, if so, to agree that the labor union is the best and most acceptable agency to carry it on. So long as this is true and so long as a huge volume of anti-union propaganda continues to flow

through the United States mails, it is necessary to review once more the now hoary arguments for and against this contention on the part of labor.

The elder economists, obsessed with the wages-fund theory, were, as we have noted, disposed to frown upon labor organization and to discount its possible value. Their learned expositions and a wrong-headed application of the Malthusian law of population supplied middle-class interest and opinion with the arguments it wanted, and not a few have tenaciously clung to them ever since.[1] But a general acceptance of the productivity theory, and a greater familiarity with the actual facts of industrial life, have brought present-day economists to a much more sympathetic attitude. While many of them reserve the right to object to some of the practices of the unions, almost all see, as Professor Doten has well phrased it, that "laborers must not only earn their wages, but fight for them"; and thus give full endorsement to the method of collective bargaining.[2]

In Great Britain the employers also (especially those who hire skilled labor), after a long struggle, finally (since about 1875) conformed to the inevitable and accepted unionism as a fact.[3] To be sure, all has not been peace and amity; but the normal British enterpriser does not imagine that he can kill off or entirely dislodge the union or unions with which he has to deal, and does not fret himself into a foaming frenzy about attempting it. It is especially in America that a large number of employers—some say a majority, albeit a rather silent majority—have kicked against the pricks and refused to have any business dealings with the unions. They have been quite ready in forming combinations themselves; but still retain on this side of their natures a remarkable degree of that strong individualism which has done so much to

[1] Cf. Webb, *Industrial Democracy* (1902), pp. 603-653.

[2] Cf. Professors Clark, Barnett, Adams, Doten and others in *American Economic Association Publications* (third series), vol. x (1909), pp. 24-58, and all leading texts on economics. Professor Laughlin is a rather notable exception and has supplied some useful thunder for the National Manufacturers' Association.

[3] Cf. Webb, *History of Trade Unionism,* 1920, pp. 111, *et seq.,* 130, *et seq.,* 193, *et seq.,* etc.

develop (or to destroy) the resources of our country. They have always been harassed by a relatively scarce and independent labor supply, and are inclined to hold the unions responsible for all their troubles.

The frankly hostile attitude of such bodies as the National Founders' Association, the National Metal Trades Association, and the National Erectors' Association has been once before referred to. With the growing scarcity of other game, their persistent pursuit of labor agitators and their heroic efforts to forestall and to stamp out the remotest trace of organization among their workmen have had all the joys and exhilaration of real sport. Not all employers' associations take such an unequivocal position nor are perhaps quite so honest in their stand. They complain of the exactions and restrictions forced upon industry by the unions, and of their unfaithfulness and irresponsibility in the matter of contracts. They show much solicitude for the non-union man and make large use of such honeyed phrases as "personal liberty," "freedom of contract," "the square deal," "industrial rights," and "efficiency." Yet they fear it would seem autocratic and reactionary to deny absolutely the right of organization and collective bargaining. So they advocate the "open shop" or the "American plan," which they define as the absence of discrimination in employment between union and non-union men. If collective bargaining is necessary, as it well may be in large plants, let it take place between representatives of their own employees and the management, and thus avoid all outside interference. The following "gem" is attributed to the Associated Employers of Indianapolis: "We disavow any intention to interfere with the legitimate functions of labor unions but will not admit of any outside interference with the management of our business." [1]

The rock which broke up the First Industrial Conference called by President Wilson in October, 1919, for the purpose of formulating some workable program of industrial peace was a resolution upon collective bargaining. The employers' group refused to accept this resolution in the form given it

[1] Quoted by Zimand, *Open Shop Drive* (New York, 1921), p. 18.

by the public and labor groups, because it had the implication of endorsing unionism as the one and only method; while the labor group was equally opposed to any amendment that would make a shop-committee plan a possible alternative.[1] In the formal statements which the employers' group made to the Conference, they declared that:

> The principles of individual liberty and freedom of contract upon which our institutions are fundamentally based require that there should be no interference with the open shop, that membership or non-membership in any association is not made a condition of employment.[2]

To carry on collective bargaining, when necessary, they approved

> . . . some form of shop organization in which representatives of the management and representatives of the men in the individual establishment, selected in each case from their own number, should meet for full and frank discussion of all phases of the employment relation. . . . There should be no representative of either party from the outside except with the consent of the other party, for the discussion should be confined to those who know the situation and who have no outside interest.[3]

This, judging from the representative character of the group and from the frequency with which the same sentiments and proposals are advanced elsewhere, may be regarded as a fair statement of the position of a large proportion of American employers.[4]

Amidst so much controversy and prejudice, so many charges and countercharges, it is always difficult to get at the facts and to hold the balance of justice even. George Eliot's landlord might appropriately make his conciliatory remark, "The truth lies 'atween ye." If the acknowledged evils of modern

[1] First Industrial Conference, *Proceedings* (Washington, 1920), pp. 141, *et seq.*, 173, *et seq.*, 227, 237, etc.

[2] *Ibid.*, p. 82.

[3] *Ibid.*, pp. 240-241.

[4] Cf. National Association of Manufacturers, *Open Shop Encyclopedia for Debaters* (New York, 1921), pp. 47-52, 58, *et seq.*; National Industrial Conference Board, *Experience with Works Councils in the United States* (New York, 1922), esp. pp. 4-13; Merritt, *Factory Solidarity or Class Solidarity*, and other pamphlets issued by the League for Industrial Rights (New York); Beman (ed.), *Closed Shop* (New York, 1922), pp. 119, *et seq.*, 253, *et seq.*

industrial life incline us to look with favor upon anything that promises redress, we must not be blinded to the mistakes and short-sightedness of which the unions have often been guilty.

Any unbiased person even slightly familiar with the actual position of the average worker in present-day industry must admit the need of some form of collective bargaining. That position is such as to give no semblance of equality in bargaining power and hence no real freedom of contract for the employee. Confronted at the time of hiring by a manager or foreman who is himself often but the servant of an impersonal corporation owned by absentee capitalists, and (especially if his training and skill are of a rather common sort) himself one among many applicants for a job, he has no reason to assume that the "universe is friendly." His pressing need for a job; his limited staying or waiting-power; his ignorance, under a disorganized state of the labor market, of what the alternatives may be in other plants or places; his ignorance, too, of the customary rate of pay for this kind of work, all make it extremely unlikely that he will get a square deal or obtain his full productivity wage. Under a system of individual bargaining, each man in the line is practically compelled to accept employment at the rate which the employer, with a limited number of places to be filled, thinks he can induce any other competent man to take. The result is that standards are reduced to the level of what the most ignorant and the most necessitous, the poorest bargainers, will take; and the sweatshop is only an extreme and aggravated instance of what conditions in all industry might become. Even supposing, as does happen during "boom" times, that bidding among rival employers is so active, and the mobility and independence of the workers so great as to bring about a rapid advance in wages, this has not commonly been accompanied by corresponding or at least more than temporary improvement in the matter of hours, sanitation, and safety, into which the individual worker cannot inquire too curiously.

Once on the job, the position of the unorganized worker is not much better. He presumably gets his pay; but so long as

there are others outside the gate who, he knows, would like nothing better than to take his place, he cannot be too sure of himself. He does not dare to question the weighing or measuring of his output and the reckoning of his pay; he must submit with patience to the persecutions of a "bully-ragging" foreman; he may even be required to spend his hard-earned wages in a company store or to live in a ramshackle company house. His status may not be unlike that of the mediæval serf.

For all this weakness and subserviency, collective bargaining substitutes the "common rule." By combining all members of the group, it re-enforces the waiting-power of the individual with the resources of the group. By presenting the demands of all at once, it prevents underbidding and the degradation of wages and other terms according to the exigencies of a few. It is founded upon the maintenance of a common or, at any rate, a minumum standard of living for all members of the group. It places at the disposal of each member the abilities of men familiar with the labor situation and experienced in the art and finesse of bargaining. By means of trade agreements entered into, it guarantees a certain stability and security. Numbers capable of taking concerted action call for attention, if not respect. Grievances get a hearing and intolerable conditions are removed. The interests and predilections of the workers come to be consulted in making alterations of policy or changes in methods. The government of the business becomes at least a constitutional monarchy, and may approach "industrial democracy."

3. UNIONS VS. SHOP COMMITTEES

But what, from all points of view, is the best machinery for carrying on collective bargaining on the workers' side? A few years since no one would ever have associated the term with anything but unionism in some form. It was evidently coined by Mrs. Webb (then Miss Beatrice Potter) in her book on the British co-operative movement in 1891; was identified with unionism and given wide popularity in that masterly work, *Industrial Democracy;* and has finally entered

into newspaper English with the same implications. Undoubtedly, a crude form of joint bargaining has occurred in the absence of permanent labor organizations, where there have been more or less spontaneous outbursts which finally reached a settlement with the employer through a strike-committee or through outside conciliation or arbitration. No one, however, would consider this an ideal method; because for the smooth and, so far as possible, the peaceable operation of such a plan it is important that definite machinery both for negotiating and for interpreting agreements be worked out beforehand, and that this be maintained in good running order. Governmental arbitration, voluntary or compulsory, and trade or minimum-wage boards now established by law in most English-speaking countries (while both serve to bring employers and employees more or less unwillingly into consultation), may be regarded as supplementary to collective bargaining rather than an integral part of it.[1]

But during and since the War, under encouragement from the government both here and abroad, great vogue has been given to the plan of "shop-committees," "work-councils," "industrial councils," and "employee representation," as it is variously known. In Great Britain these, again, have been considered only supplementary to unionism, the labor representatives on Whitley Councils being expressly chosen by the unions. And that was the place also assigned to them in America by the War Labor Board and the Shipbuilding Labor Adjustment Board.[2]

A considerable number of industrial managers, however, when driven to make some concessions to the idea of collec-

[1] Cf. *Industrial Negotiations and Agreements* (pamphlet) published by the Trades Union Congress and the Labor Party (London, 1922), in which these are discussed as "legally enforceable agreements." See also Commons and Andrews, *Principles of Labor Legislation* (New York, 1920), p. 182, *et seq.*

[2] Cf. the reports of the Whitley Committee upon Joint Industrial Councils, given in United States Bureau of Labor Statistics, *Bulletin* no. 255 (Washington, 1919), esp. pp. 18-19, 33, 173; Wolfe, *Works Committee and Joint Industrial Councils* (*Report* to United States Shipping Board (Philadelphia, 1919), p. 134, *et seq.*; Douglas and Wolfe, "Labor Administration in the Shipbuilding Industry During the War," *Journal of Political Economy*, vol. xxvii (1919), pp. 163-164; Leiserson, *Employment Management, Employee Representation and Industrial Democracy* (an address) (United States Department of Labor, *Working Conditions Service* (Washington, 1919), p. 14.

tive bargaining have, as already noted, grasped at the shop-committee scheme, thinking that it promised a sort of "home-made" union, likely to be more congenial and satisfactory to deal with than the ordinary variety which the workers have formed on their own initiative. In one other respect the right of selection or rejection has been exercised. Whereas the report of the Whitley Committee provided for a regular gradation of joint bodies beginning with a works-council and culminating in industrial councils national in scope; and whereas the system of adjustment conferences proposed by the President's Second Industrial Conference in 1920 likewise contemplated a national development with employee representation in each plant as a nucleus,[1] yet American employers have been attracted to the whole idea chiefly because they thought it could be launched by the individual employer himself—that he could give his little plan just such powers and jurisdiction as he might wish, and that he could still satisfy his deep and persistent longing to "deal only with his own employees."

Works-councils of various types—some of them limited to non-controversial matters, some with more general authority—are, indeed, winning for themselves a large place in industrial management. Many of the mushroom growths fostered by the government during the War have already disappeared; but the idea has been widely applied in more practical and permanent forms in recent years. In 1922 the National Conference Board reported some 725 examples among American concerns, many of them the largest of their kind—the Rockefeller companies, the great packers, several of the great rubber companies, the electrical supply industry, the International Harvester, American Brass, American Woolen, the Pennsylvania Railroad, and others of almost equal magnitude.[2] And there has been considerable enthusiasm in managerdom over the results already achieved. Such bodies, when animated by the right spirit, do go far to re-

[1] United States Bureau of Labor Statistics, *Bulletin* no. 255, pp. 173-174; *Report of the Industrial Conference*, March 6, 1920.

[2] *Works Councils in the United States, Research Report*, no. 50, p. 1.

store some of the old personal touch. They have functions more important than the conduct of the annual company picnic or other amusements to keep the people from thinking too much. Through regular and frequent meetings they can prevent many perhaps local and minor causes for discontent from rankling and festering. They can teach the workers something about the problems and difficulties of management; and help to bring about that constructive co-operation between managers and men in the actual process of production which is likely to be all too sadly lacking in the relationships between unions and employers who are engaged rather in quarreling over distribution. They are assuredly an advance upon the old autocratic methods, where employees had no recognition as a group and no opportunities for collective expression. It is a mistake to assume that, because there have been ample grounds for suspicion in the past, nothing good can come from the employer's side.

But works-councils do not seem destined to supplant or to serve as a substitute for unionism as an agency for the defense of the workers. In fact, the employer who has introduced such a plan in the hope that it would wholly satisfy the cravings of his employees for a share in the control of their working lives may be doomed to disappointment. This taste of power may whet their appetites for more. The "company union" (to copy Elbert Hubbard's praise of the hobby) may prove to be a real union and "carry you a long way." British unions have taken an attitude of qualified approval toward the Whitley Councils as supplementary bodies.[1] American unions (although individual unionists and even local unions have apparently sometimes co-operated) have taken a hostile official position toward shop-committees or company unions, led thereto by the suspicion already referred to, by the fact that these have usually been established in non-union or "open-shop" plants, and by their recognition

[1] *Industrial Negotiations and Agreements* (pamphlet), pp. 19-23; Webb, *History*, pp. 646-649. Evidently there has been a marked decline in the number and importance of such councils. (*Ministry of Labour Gazette*, February, 1923, pp. 43-44.)

of the weaknesses of any such organization for bargaining purposes.[1]

We have seen how the competition of unorganized or poorly organized shops and sections and the consequent impossibility of maintaining any standard anywhere, finally drove the unions to become national and to make every effort to perfect their control over the trade throughout the whole market area. General matters can only be handled by a general organization capable of marshaling its forces at the weakest point and of bringing all establishments under the common rule. The works-council at its best represents a reversion to the old local or shop organization. Useful as it may be in applying general standards to the local plant and in settling many special grievances to the relief of union officials, it is quite inadequate for the formulation and enforcement of such standards. Even though complete freedom of speech and of assemblage should be allowed to the workers in an establishment, they lack the sense of perspective to enable them to make intelligent demands. Also there is a very good reason why outside parties, salaried officers of the union—the "walking delegates" to whom some employers object so seriously—make better spokesmen for the cause of the workers than employees elected from time to time in the different departments of the works. The former not only have more knowledge and experience but they have not the handicap of a double allegiance. They cannot be intimidated, discharged, and blacklisted if they are a bit too ardent in their claims. The National Committee to organize the iron and steel workers in 1919 found that company union representatives in the steel mills were not only not fairly and honestly chosen but were frequently victimized and discharged because of the manner in which they performed their duties.[2] Even the secret ballot and the guarantee of a square deal by the management, which Magnus Alexander agrees to be

[1] *Proceedings of the American Federation of Labor,* 1919, pp. 249-250, 302-303; 1925, pp. 33-34, 230. National Industrial Conference Board, *Works Councils,* chap. xiii. Cf. also, Stoddard, *The Shop Committee* (New York, 1919), chap. x.

[2] *Proceedings of the American Federation of Labor,* 1919, pp. 249-250.

necessary,[1] can hardly assure to the shop-committeeman the requisite degree of independence and freedom of expression. An additional weakness of the works-council as a bargaining unit is that the workers represented upon it with the management, and having very little if any organization apart from the management, lack the financial resources for fighting if a "show-down" becomes necessary. They do not have the accumulated funds and the promised assistance from other workers upon which the members of a great national union can rely.

In short, that conception of the two forms of organization which regards them as complementary, the union dealing with general controversial questions such as wages and hours, and the works-council with more purely intra-shop matters, is the only reasonable and convincing one. It is the relationship which exists between the unions and the industrial councils in the printing and building industries in Great Britain, and the one which has brought mutual satisfaction in several establishments where both exist in the United States.[2]

4. EXAMPLES OF COLLECTIVE BARGAINING

Recognition is the primary demand of labor unions. It is implicit in all their other demands. Perhaps it may be called the fundamental desire of every human being, to be pursued collectively when it cannot be adequately gratified individually. Without it no regular and orderly process of collective bargaining with the employer can be established. He must be induced to acknowledge that the union exists, and that it has a right to be heard through its democratically elected officers as the representatives of the wishes of its members. This need

[1] Alexander, "Collective Bargaining," *Annals of American Academy,* vol. xc (1920), p. 65.

[2] Cf. National Industrial Conference Board, *Works Councils* (1922), pp. 145-146; Stoddard, *op. cit.,* chap. x; Wolfe, *Works Committees,* p. 134, *et seq.;* Douglas, "Shop Committees: Substitute for or Supplement to Trade Unions," *Journal of Political Economy,* vol. xxix, pp. 89-107; Meeker, "Employees' Representation in the Management of Industry," *American Economic Review, Supplement,* March, 1920, p. 89, *et seq.;* Seager, "Company Unions *vs.* Trade Unions," *American Economic Review,* March, 1923, p. 1, *et seq.;* Selekman B., *Employees' Representation in Steel Works* (New York, 1924), esp. chap. x.

not imply that only union members are to be employed; although, as we shall see, the union does feel greater security when it has such a promise. It does not mean, as some defiant employers seem to imagine, that the entire conduct of the business is immediately to be surrendered to the union. It does mean that the employer is ready and willing to consult with the representatives of the union respecting certain matters, to discuss these matters with them face to face, and to endeavor, if possible, after a process of give-and-take, higgling and compromise, to reach a working agreement upon them.

Such recognition the great majority of large employers in Great Britain and a growing number in America have come to regard as inevitable if not positively advantageous. Writing in 1897, Mr. and Mrs. Webb estimated that fully 90 per cent of the members of skilled trades in Great Britain "where men work in concert, on the employer's premises, . . . find either their rate of wages or their hours of work, and often many other details, predetermined by a collective bargain in which they personally have taken no part, but in which their interests have been dealt with by representatives of their class." [1] They describe the somewhat cumbersome machinery for negotiating agreements and adjudicating disputes then existing in the boot and shoe industry, the less complicated system of the Northumberland and Durham miners, and the elaborate and highly professional plan found necessary in the Lancashire cotton industry. The Board of Trade reported in 1910 upon 1,696 collective agreements "of a general trade or district character," estimated to regulate specifically the working conditions of 2,400,000 persons, and indirectly affecting the conditions of many others.[2] There has been no statistical presentation of the subject in recent years; but with the stupendous growth in the number of unionists, it is reasonable to suppose that, if there has not been a great increase in the number of agreements, there has been one in the number of workers covered by them. With the progress of indus-

[1] *Industrial Democracy*, p. 178.

[2] Board of Trade (Labor Department), *Report on Collective Agreements between Employers and Workpeople in the United Kingdom* (London, 1910), p. iii.

trial federation and amalgamation among unions, already noted, and a corresponding perfecting of organization among employers, there has naturally been an extension in the area to which trade agreements apply. In several industries an almost national scope, with some allowance for local variations, has been reached. This has long been true in the cotton and shoe industries.[1] In the building industry negotiations have become national, but there is allowance for considerable differences in wages and other conditions between districts and grades. The mining industry after several years under national agreements has—much against the wishes of the Miners' Federation—relapsed into a district or county basis. Considerable progress toward uniformity of conditions has been made in the woolen industry and in the engineering trades. The railway unions negotiate in the first instance with each company individually; but there is provision for national negotiations should no agreement be reached separately. Printing, hosiery, iron and steel, and the food trades are still chiefly on a district basis.[2] Many of these British agreements, such as the old "Brooklands agreement" in the cotton industry and the "York agreement" in the engineering trades, provide three stages of negotiation before any rupture can occur.

In the United States the systems for collective bargaining that have probably attracted most public attention and that have been most fully described by economists are those in the building industry, stove manufacture, bituminous coal mining, the glass-bottle industry, the clothing trades, the newspaper business, and in the railroad world. Some features of several of these plans have already been mentioned. It will be noted that, while existing in non-trustified industries, they imply a relatively stable and complete organization on the part of employers (at least for handling labor matters) as well as upon the part of the workers. In the building industry and in the clothing trades, agreements are still chiefly local in scope; and in the newspaper business, where continuity of

[1] *Industrial Negotiations and Agreements*, published by the Trades Union Congress and the Labor Party (London, 1922) p. 32.

[2] *Ibid.*, pp. 33-37.

operation is so important, the initiative for collective bargaining is still with the local interests—the agreement between the Publishers and the International Typographical Union providing rather for a scheme of arbitrating local disputes that threaten to involve suspension. The relationship between the Brotherhoods and the railroad companies can hardly be regarded as a striking example of the blessings of collective agreements, because their free development has been very much hampered by governmental interference with rates and wages. The result has not been satisfactory to any of the parties interested.

The annual conference which has been held between representatives (formerly three each, now six) of the Iron Molders and the Stove Founders' National Defense Association since 1891, and which all this time has prevented any serious interruption of the industry over which it presides, is perhaps the most frequently cited example of successful "congressional government" in labor matters. It followed a number of years of strikes and disorder, the original purpose of the Defense Association, as its name implies, having been essentially belligerent; and it has built up and maintained a high standard of respect and business honor in the industry. The conference, meeting in the spring of each year, adopts a general wage-scale for the trade. Provision is made that disputes which cannot be settled locally shall be referred to the presidents of the respective national organizations and, if they are unable to agree, that the matter be brought before the joint conference committee for final decision. Each party agrees to hold its members in line and to secure obedience to the agreements and decisions.[1]

The plan in the glass-bottle industry has an almost equally long history and has been almost as successful. Here there are two conferences each year between the executive boards of the Glass Bottle Blowers and the Bottle Manufacturers: the preliminary meeting in May which settles as many of the matters in dispute as possible prior to the conventions of

[1] Bonnett, *Employers' Associations in the United States* (New York, 1922), pp. 40-49; Perlman, *History of Trade Unionism*, pp. 142-144.

the union and of the employers; then a second meeting in August or September to make final settlements. In case of a deadlock the practice has usually been to continue operation under the conditions laid down in the agreement for the previous year. In 1905 and again in 1909, when the union refused to submit to reductions which the employers thought necessary, there were suspensions for several months; but these were very politely not considered lockouts and did not materially disturb good feeling or confidence in the plan. The national agreement is itself quite detailed; and an interesting feature of the system has been the reference of all questions of dispute to the president of the union alone for arbitration with power of review in the next Joint Conference.[1]

Doubtless the anthracite coal strike of 1925-26 and the shortage of coal that attended it are a bit too fresh in memory to make the machinery for collective bargaining in the coal industry a wholly convincing example. Professor Commons portrayed some of its benefits as early as 1901, when the plan had only been in existence for three years in the bituminous coal industry and was still to be worked out in the anthracite fields:

> This annual interstate conference of the bituminous coal industry is the most picturesque and inspiring event in the modern world of business. Here is an industry where, for many years, industrial war was chronic, bloodshed frequent, distrust, hatred, and poverty universal. To-day the leaders of the two sides come together for a two weeks' parliament, face to face, with plain speaking, without politics, religion, or demagogy; and there they legislate for an industry that sends upon the market annually $200,000,000 (*sic*) of product.[2]

Obviously, the expectations that might have been aroused by this glowing description have not been fully realized. Yet the shortcomings, especially those in the period of storm and stress that has followed the War, can hardly be considered

[1] Ball, President John A., Glass Bottle Blowers' Association, "Collective Bargaining in the Glass Bottle Industry," *Annals*, vol. xc (1920), p. 50, *et seq.*; Wolman, Leo, "Collective Bargaining in the Glass Bottle Industry," *American Economic Review*, vol. vi (1916), pp. 549-567.

[2] *Review of Reviews*, March, 1901, contained in Commons, *Trade Unionism and Labor Problems* (Boston, 1905), p. 2.

derogatory to the method of collective bargaining itself. Rather they are due to the untoward conditions under which it is carried on. The woeful inefficiency and lack of organization in the bituminous coal industry are stock examples with American engineers and have been fully presented in recent investigations.[1] The mines are scattered over many states offering very diverse mining conditions, are developed to a capacity about one-third greater than their normal market, and are correspondingly overmanned. Continuous and regular operation and employment are out of the question. The operators who are thus such active competitors for the sale of their product have also been unable to form any stable or well-disciplined employers' association to deal with labor matters. Those in the union fields find themselves constantly harassed by the terms and prices made by the non-union areas. Even in the "central competitive field" over which the interstate joint conference presides, West Virginia operators have steadily refused to participate, Illinois operators have several times claimed discriminations in the agreement and have withdrawn; and in 1922 the whole body of operators appears to have favored abandonment of the interstate conference and a return to district or state agreements.[2] But the greatest handicap to the efficient working of the plan and the one whose removal might go far to remedy the lack of cohesion among the operators also is the incomplete organization of the miners. In the recognized union fields, their control has been fortified and enforced by the "check-off" method of getting the operators to deduct union dues from wages. This the operators have recently objected to with some professions of anxiety regarding its legality under the anti-trust acts; but

[1] Cf. the preliminary report of the United States Coal Commission in *Monthly Labor Review,* February, 1923, pp. 36-42; Cushing, "America's Coal Industry," *Review of Reviews,* vol. lxvi (1922), pp. 272-284; *Award and Recommendations of the United States Bituminous Coal Commission* (Washington, 1920), esp. p. 25, *et seq.*

[2] The settlement made at Cleveland in August, 1922, was none the less participated in by operators from seven states. (*Literary Digest* (New York, August 26, 1922), p. 6.) So also the agreement effective April 1, 1923, covered three states and was later adopted in a fourth. (Gadsby, Margaret, "The Coal Strikes," *Monthly Labor Review,* November, 1922, pp. 6-11. *Monthly Labor Review,* March, 1923, p. 56; April, 1924, p. 114.)

they were nevertheless constrained to accept it once more in the agreement of 1923 and in the renewal for the three-year period, 1924-27. Probably one-half, however, of the miners engaged in bituminous coal fields are still outside the union. And, as already noted, the operators in the important West Virginia field, backed up by the courts and subservient local officials, have hitherto been successful in preventing the Mine Workers from getting a hearing.[1] Wages and other working conditions cannot probably be made uniform throughout the whole coal-producing area so long as other cost factors differ so widely and many unprofitable mines continue to be operated; but, at least, more complete organization on both sides would result in their being standardized and in making the struggle for survival more civilized.

In fact, if an employer in a competitive industry is to have a real union on his hands or if he is disposed, as many liberal-minded employers undoubtedly are, to grant to his workmen the best terms which the continued prosperity of the enterprise will permit, he should prefer to deal with a strong nationally organized body, capable of enforcing the same terms upon his competitors. The clause in the Clayton Act which declares that "the labor of a human being is not a commodity or article of commerce" has not perhaps altered the fact that services are bought and sold very much like goods. But it does serve to emphasize that the delivery of labor must be made in person, and that the person whose life and health and happiness is thus placed in jeopardy is more than a mere laborer; that no employer has a right to make his profit by taking advantage of the necessities and weakness of his employees, nor to pass along to the workers and to society the burden of poverty, disability, and disease due to bad industrial conditions. The exploitation of labor, made possible by the superior bargaining power of the employer, is not a legitimate source of profits. That would be blood money. The workers are doubtless wrong in supposing

[1] Cf. Cushing, *op. cit.*, pp. 283-284; Perlman, *History*, pp. 167-174; Suffern, *Conciliation and Arbitration in the Coal Industry of America* (Boston, 1915), chaps. ii and v.

that this is the chief source of profits. But when we consider this suspicion and the discontent flowing from it, and when we realize that competition between employers in the present unorganized state of the labor market offers no sufficient guarantee of a square deal, certainly the argument that the enterpriser should be left as free in the purchase of his labor-supply as he is in the purchase of materials and in the management of other features of his business is not a valid one. Hence standardization of wages and other features of the labor contract, with a proper amount of elasticity to cover real differences of situation on the part of employers and differences of ability and skill on the part of workmen, is better than imperfect competition and consequent gross inequalities. This unionism attempts to secure. The employer, in other words, who deals with a strong and businesslike national union, either individually or, as usually proves more advantageous, in conjunction with other employers and through expert officials fully able to cope with the wily representatives of labor, while he may not always like the resulting terms, is really taking out a form of insurance against the interruption of his business by labor troubles during the period for which the agreement runs, and against risk of being underbid by his competitors so far as this item of his cost account is concerned. With the union as his guardian against discriminatory rates, he is left free to devote himself more exclusively and confidently to other devices and economies. Furthermore, his labor turnover, now recognized as a troublesome and costly item, should be lower; because with wages standardized throughout the industry under the common rule, there is less incentive for rival employers to attempt to steal away one another's employees, and less necessity on the part of labor for migration from place to place or plant to plant as an individual method of expressing dissatisfaction and seeking better conditions. One reason why Detroit, especially in its automobile industry, has had such a high rate of labor turnover is to be found in the non-union-shop.[1]

[1] Cf. Watkins, "Labor Situation in Detroit," *Journal of Political Economy*, vol. xxviii (1920), p. 840, *et seq.*, esp. 849, *et seq.*; report of special conference.

5. OBSERVANCE

The word "businesslike," however, as applied to labor unions, and the phrase "business unionism" itself, may seem to many like a contradiction in terms. The impression has been spread widely abroad that the average union is not careful about business matters, that its own internal affairs are often honeycombed with inefficiency if not with corruption, and that it is particularly lax about keeping its promises. One might suppose that labor contracts were observed only so long as it happens to serve the temporary advantage of members or officials that they should be. The same charge has been frequently made in Great Britain where, if anywhere, organizations might be expected to be well seasoned and responsible; and it was considered sufficiently valid to be made the subject of investigation by the Industrial Council appointed by the British Ministry in 1912.[1]

The leading anti-union employers' associations already mentioned give as the chief reason for their attitude that they have given collective agreements with the unions a fair trial, and have abandoned the policy only because of the demonstrated faithlessness of the unions themselves.[2] The International Paper Company, after many years of dealing with the paper workers' unions, broke entirely with them in 1919, and at considerable financial loss recruited a non-union or open-shop force for its numerous plants, because contracts were not observed.[3] Magnus Alexander, director of the National Industrial Conference Board, declares that "lack of responsibility on the part of trade unions for their own acts and those of their agents is one of the reasons for refusal by employers to enter voluntarily into trade agreements with trade unions and

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of trade union officials, *Proceedings of the American Federation of Labor*, 1921, p. 58.

[1] *Report of the Industrial Council of the British Board of Trade on Its Inquiry into Trade Agreements* (United States Bureau of Labor Statistics, *Bulletin* no. 133 (1913)); Askwith, Lord, *Industrial Problems and Disputes* (London, 1920), chap. xix and p. 234, *et seq.*

[2] Cf. Bonnett, *Employers' Associations*, p. 69.

[3] *Annual Report*, 1919, cited in New York *Times*, April 16, 1920, p. 21.

to recognize them as spokesmen of their employees." [1] In its report upon agreements in the clothing industries, his organization states that "the outstanding feature of the trade union agreements here examined is their instability as compared with the ordinary contracts of business." [2] And this sense of insecurity on the part of employers has given rise on both sides of the Atlantic to the contention that labor unions (and employers' associations, too, if you like) should be incorporated and made legally responsible. The Association of Manufacturers, indeed, almost seems to imply that only the absence of such legal liability on the part of unions has deterred its members from immediately entering into negotiations with them. "The very absence of power to enforce the contracts means that the unions will not be so scrupulous about keeping them. This, of course, is not true of all unions and all union members; but during the past few years union leaders who wished to abide by contracts have been termed 'old fogies' and their advice has been disregarded." [3]

These are grave charges and, if found to be generally true, would serve to "knock the bottom out" of all collective bargaining. They mean that the disadvantage that the individual worker suffers in bargaining (which has been given as the chief reason for unionism) is now, through unequal conditions of enforcement, transferred to the side of the employer. Certainly, employers could not be expected to continue relations with organizations so lost to all sense of honor or responsibility. The risks of business are increased rather than diminished by such dealings.

But there is some testimony on the other side. The relatively small number of actual cases cited in which agreements have been violated, and some knowledge of the circumstances attending them—besides the apparent willingness of large groups of employers to continue to associate with such erring

[1] *Annals of American Academy*, vol. xc (1920), p. 63.

[2] National Industrial Conference Board, *Experience with Trade Union Agreements—Clothing Industries* (*Research Report* no. 38 (New York, 1921)), p. 9.

[3] National Association of Manufacturers, *Open Shop Encyclopædia for Debaters*, 1921, p. 69. Cf. Black, *Should Trade Unions and Employers' Associations Be Made Legally Responsible?* (National Industrial Conference Board (Boston, 1921)), *passim.*; Loree, *Organized Labor* (pamphlet), pp. 9-10.

creatures as unionists appear to be—indicate that the evil may be considerably exaggerated. That certainly was the opinion of the British Industrial Council in its report of 1913.

> Notwithstanding the difficulties inherent in dealing with large numbers of work people, we find from the evidence that agreements in most cases are well kept. Although a number of instances of alleged breaches of agreements have been referred to in the course of the Inquiry, the evidence of a considerable majority of the witnesses is to the effect that agreements have, viewed generally, been duly fulfilled by both parties. The breaches that have been mentioned were, with a few exceptions, the result of the action of comparatively few men, or due to exceptional circumstances or to differences and misunderstandings in regard to points of interpretation, and are not, as a rule, countenanced by the respective organizations.[1]

Some evidence that employers in several of our leading non-trustified industries do think that it is worth while to spend time in negotiating with unions and do have some confidence in the fulfillment of promises has already been given. Naturally, most even of these more favorably disposed industrial managers have left the advocacy of unionism chiefly to the unions themselves. Yet one of the pleasant features of the conventions of some of the great national unions, the Typographical Union, for example, has been the exchange of felicitations and courtesies with officials of the employers' associations with which they have to do. The report of the National Industrial Conference Board upon agreements in the clothing industries, mentioned above—while it begins by casting some aspersions upon union agreements from a legal standpoint—goes on to state that strikes have usually occurred at the time of expiration and renewal and not often while agreements were actually in force; and gives the testimony of Mr. Schaffner of Hart, Schaffner, and Marx, and others as to the immense improvement which trade agreement plans have worked over the petty local strikes and the disorder sometimes approaching anarchy that preceded them.[2] "Law and order" has, indeed,

[1] *Report* in United States Bureau of Labor Statistics, *Bulletin* no. 133, p. 13; Askwith, Lord, *op. cit.*, pp. 237-238.

[2] *Experience with Trade Union Agreements—Clothing Industries*, esp. pp. 11, 34, 37.

had many difficulties to contend with in a polyglot center of immigration like New York City.

No, all is not peace and quietness; and the unions have sometimes, especially in periods of storm and stress like the past decade, broken their pledges and sacrificed their reputations for temporary gain. It is not gracious of them to recall that some other business contracts during this same period have been treated as mere "scraps of paper." But the question is, whether, having come so far upon this perilous journey over a road full of obstructions and pitfalls, it is not safer and wiser to go forward rather than to attempt to go back. The cure for the evils and weaknesses of collective bargaining may be found to lie in more collective bargaining. How are the unions to learn business methods except through contact and dealings with able business men?

Many of the cases of outlaw strikes can be accounted for by incomplete organization and by those imperfections in the *structure* of the unions which, we have seen reason to believe, are gradually being remedied. An employer or group of employers who have done all they could in the past to prevent organization and to fill the minds of the workers with suspicion, and who are even yet averse to establishing a union shop where the union can be made responsible for discipline, can hardly complain if the unions are sometimes unable to hold all of their cohorts in line. The greater authority financially and otherwise which is being won by the national unions is a long step toward the better observance of agreements. As national officers are somewhat removed from the heat of local struggles and have a broader perspective, they are, in consequence, usually fairer and more reasonable in their attitude, and have a keener sense of responsibility. To put it on a lower plane, they realize that the success and even the continued existence of their organizations rest in the long run upon their ability to "deliver the goods." Sometimes they may seem like meddlers, but more often they are peacemakers.

Several of the great national unions have especially prided themselves upon their records for arbitrating disputes and

maintaining the inviolability of contracts, even when they have obviously "sworn to their own hurt." The Boot and Shoe Workers have a standard form of agreement which is underwritten by the national officers, and they have achieved a high reputation for keeping their word.[1] The Railroad Brotherhoods have perhaps lost, not without provocation, some of their fame for conservatism; but they have in times past stood for arbitration rather than strikes as a method of settling disputes, and have been scrupulous in enforcing obedience to contracts, even to the extent of furnishing men to take the place of violators.[2] The Mine Workers learned their lesson rather early; for the failure of John Siney's National Miners' Association in 1874 to abide by an arbitration decision is said to have delayed their recognition by the operators for fully ten years.[3] John Mitchell as president from 1896 to 1908 was constantly trying to instil into the minds of his followers the idea of the sanctity of contracts; and he was successful in practically eliminating local strikes. The trouble in the fall of 1919 arose out of a misunderstanding on the part of the discontented miners as to whether the War was really over and whether their agreement under the Fuel Administration for the duration of the War had expired. The national officers were quite prompt in submitting to the fiat of the administration. The insurgent movement in Illinois and in Kansas in 1920 was condemned by President Lewis, and only illustrates some of the handicaps under which the organization still operates.[4] The Typographical union, likewise, as shown at the time of the "outlaw" strike against the Hearst papers in Chicago in 1913 and again in 1919 when a considerable number of the members of "Big Six" (New York) went on "vacations" in sympathy with a seceding organization of pressmen, has

[1] They contrast this record with the rather stormy career of two seceding organizations, "the United" and "the Protective," which exist in Haverhill and Lynn.

[2] Cf. Hoxie, *Trade Unionism*, p. 274; Perlman, *History*, pp. 180-184; New York *Times*, April 13, 1920, p. 1.

[3] Andrews in Commons, *History*, vol. ii, p. 180.

[4] Cf. Mitchell, *Organized Labor* (Philadelphia, 1903), chap. xxxix; Warne, *Coal Mine Workers* (New York, 1905), pp. 58-60; Savage, *Industrial Unionism*, pp. 83-84; New York *Times*, July 31, 1920, p. 1.

exerted its increasing national power on behalf of loyalty to agreements.[1]

The growth of industrial federations and of industrial unionism, when not associated with too much radical philosophy, tends toward a more businesslike conduct of union affairs. It should eliminate many of those sympathetic strikes and jurisdiction disputes which have been a source of much distress to employers and of mystification to the public.

Much more can be done to perfect the form and content of trade agreements themselves, to avoid obscurities and grounds for misunderstanding, and to provide for their interpretation and revision. We have seen that in the great number of cases agreements do provide for some judicial machinery to settle disputes that come up under them; and this cannot be too highly developed. If it is unjust for a large employer or corporation to take advantage of the ignorance and helplessness of its employees by the method of individual bargaining, it is equally culpable for either party to a collective agreement to exercise craft and undue pressure and to drive a hard bargain; because this sows the seeds of trouble and destroys that confidence and good will, which, just as with international relationships, must be the real basis of peace and the chief reliance for securing general observance. There is no room here for old-school diplomacy.

The term for which agreements are to run and the expiration dates offer some chance for taking advantage. Naturally, in a period of depressed business and wages, when recovery is soon to be anticipated, employers are quite eager to bind their workmen for a longer interval; and in a business subject to seasonal fluctuations it is most convenient from the employer's viewpoint to have the agreement expire at the close rather than at the beginning of the busy season. The preferences of the unions are just the opposite. The relatively long terms that have prevailed in the coal-mining industry—five years in Great Britain and three or four in the anthracite field of the United States—unquestionably worked to the disadvan-

[1] *Typographical Journal* (Indianapolis, vol. xliii (1913), p. 17; vol. lv (1919), pp. 512-513, 619-621.

tage of the miners during a period of rising prosperity. The long term also makes it more difficult for the union to keep its members loyal and in good standing in the interim.[1] April 1, which the coal operators on this side have commonly insisted upon as the renewal date—just when the fuel demand is falling off—is a bit too suggestive of All Fools' Day. In general, fairness seems to dictate a short contract period, perhaps a year, as in the stove and glass-bottle industries—one that conforms as in credit transactions to the customary period of production and sale without putting a premium upon seasonal work. Or there may be continuing agreements, as in the railway, building, and printing industries in Great Britain, where no definite term is stated but a certain period of notice is required for abrogation. In any case there should be an opportunity for revision of the details of the agreement at reasonable intervals; because, for one thing, frequent conferences themselves are healthful; and because modern business conditions are too dynamic, price-changes are too rapid, and the science of prognostication still too undeveloped to permit of long-distance views.

In order to bring about a fairly automatic readjustment of rates to the changing cost of living, several concerns—among them the Index Envelope Company of Cleveland, the New York Banking and Trust Company, and printing houses in Tacoma and Chicago—have adopted the so-called "index-number wage."[2] Under this plan wages are periodically advanced or reduced according to the showing of some official index number. The cost of living alone is not a scientific or satisfactory criterion for wage-fixing; but since this again is one of the leading causes of discontent, it should be given due weight. *Real* wages should always be the basis of negotiations, and not mere counters. A sliding-scale based upon the selling price of the major product seems on the surface to

[1] Cf. Hoagland, *"Trade Unionism in the Iron Industry," Quarterly Journal of Economics,* vol. xxxi (1917), pp. 679-680.

[2] Walker, "National Council for the Printing Trades," *Monthly Labor Review,* vol. xii (1921), pp. 35-36; *Printers' Ink,* March 18, 1920, p. 49. Cf. Trades Union Congress and Labor Party, *Industrial Negotiations and Agreements,* p. 42, *et seq.,* in which eighty sliding scales based on the cost of living are reported as in use in Great Britain.

have much to recommend it as a method of securing easy and prompt readjustments. It has been used in the iron and steel trades in Great Britain for over half a century and has been tried at different times in the coal industry there and in the United States. But it has lost favor, especially with the unions, partly, perhaps, because it does not leave enough work for them to do, partly because of misunderstandings regarding the basis of computation, and partly because it sometimes seems to make the wage-earner the victim of mismanagement on the part of his employer. In abnormal periods it leads to rather demoralizing fluctuations in wages, and in any case is adapted only to a relatively simple industry where other costs than that of labor are fairly steady.[1] A plan combining the various elements—the cost of living and the state of the industry—has recently been proposed and partially adopted in the job and book branch of the printing industry.

A more general employment of professional experts to handle the complicated details of trade agreements (of which Mr. and Mrs. Webb have been leading advocates in England), and a greater degree of publicity for agreements, awards, and decisions, such as the *Monthly Labor Review* now gives, will insure more careful drafting and will build up a kind of code or body of precedents that are worthy of imitation.

The present legal status of trade agreements, like that of some other phases of unionism, is still open to doubt and differences of opinion, and is not a matter which it is necessary to inquire curiously into here. Legal process has not been largely resorted to as a method of enforcement by either side, and probably would not prove very effective even though both unions and employers' associations were incorporated and the extent of their liability were more fully settled. An indictment against a labor union, like Burke's "indictment against a nation," is not a likely method of recovery. Rather the question is whether more legal machinery and the litigation

[1] de Paris, Comte, *Trades Unions of England* (trans. by Nassau Senior) (London, 1869), p. 86, *et seq.;* Royal Commission on Labor, *Fifth and Final Report,* 1894, pp. 41-43; *Industrial Negotiations and Agreements,* 1922, p. 46, *et seq.;* Webb, *Industrial Democracy,* pp. 576-577; Perlman, *History,* pp. 178-179.

which might arise under it would not destroy the spirit of good will and mutual obligation upon which, as already stated, we must largely depend for enforcement. Both the unions and the employers' associations, while essentially commercial bodies, are, like the stock exchange, non-profit-making, and need not be in possession of any great financial resources. The ordinary trade agreement, where no specific persons are mentioned or where no given quota of workmen is guaranteed and where no "consideration" has been handed over to bind the bargain, has been held by several courts not to be a real contract but a memorandum or statement of policy. The real contract comes into existence when each individual workman hires out to the employer, presumably upon terms identical with or similar to those stated in the agreement between the employer and the union.[1] At the time when the American Federation of Labor was formed in 1881, the unions were favorable rather than otherwise to incorporation, because they believed that such legal recognition might aid them to secure economic recognition also. But experience has made them distrustful of the courts; and, being in most cases open to all comers, without protection against spies and other enemies within their own ranks, they are now usually averse to assuming full legal liability.[2] This attitude, however, does not appear to be prompted by any desire to evade their moral obligations with respect to trade agreements; and intelligent self-interest certainly would not sanction such a course.[3]

[1] Cf. decisions given in Sayre, *Cases on Labor Law* (Harvard University Press, 1922), chap. xiii; Clark, L. D., "Legal Effect of Collective Agreements," *Monthly Labor Review*, vol. xii (1921), pp. 168-171.

[2] Perlman, *History*, pp. 152-154; Carlton, *History and Problems of Organized Labor*, p. 161; Black, *Should Trade Unions Be Made Legally Responsible?*, pp. 25-29.

[3] The Industrial Council in Great Britain in 1913 believed that the fulfilment of agreements would be best secured "by an increased regard for the moral obligation and by reliance upon the principles of mutual consent, rather than by the establishment of a system of penalties or by the legal prohibition of assistance in breach." (Report in *United States Bulletin* no. 133, p. 22.)

CHAPTER XII

MEMBERSHIP REQUIREMENTS

1. THE UNION SHOP

THE unions themselves look to complete organization and the maintenance of a union-shop as the best guarantee that prompt readjustment to new conditions will be made, standards preserved, and agreements kept inviolate. They ask for this measure of control in order that they may enforce discipline. Here the issue is clearly joined with that large group of employers represented at the President's First Industrial Conference in 1919, who, while professing no desire to discriminate against union men—might, in fact, hire one occasionally if they could not find anyone else—declare for the "open shop" and the right of the employer to hire whom he pleases, regardless of whether or not he belongs to any union or association. The demand for the union-shop—that only members of the union shall be employed or that non-union men who are employed shall be required to join the union within a reasonable time—is chiefly a result of the uncertain, partially recognized, probationary status of the union that still prevails in many industries. It is not so commonly insisted upon in Great Britain, nor in certain industries like railroading and stovefounding in the United States, where the union has long been recognized as having a right to speak for the workers of all grades, where the employer is therefore known to be well disposed, where the entrance to the trade is already fairly well protected by a barrier of skill or an established apprenticeship system, and, finally, where trade agreements provide for the review of discharges or other possible

forms of discrimination by a grievance committee.[1] Where these conditions do not hold, the union-shop is felt to be the only security against a rear attack by an employer or employers' association that has no deep-rooted affection for the union and is only biding his or its time until a more favorable opportunity comes to dislodge it. Labor leaders distrust all those who praise the "American plan" of hiring without discrimination and who, in the next breath, speak so fulsomely of the rights of that dumb creature, the non-union man. The purpose, they hold, is really to favor men who have no union affiliations, to build up eventually a force of workmen of all grades who "have not bowed the knee to Baal," and then to establish the closed, non-union shop. Indeed, where the union is not recognized, it can do little to help the workers and might as well go out of business. Unionists who are conscious and quite proud of the benefits and accomplishments, actual and potential, of their organizations see no hardship in requiring other men in the trade and participating to a large extent in the fruits of victory to join and bear a part of the expense. "A chain is no stronger than its weakest link." [2]

The strength or weakness of these claims depends ultimately, as so many writers have pointed out, upon the reasonableness of the requirements for admission to the union, and the extent, therefore, to which the union-shop involves undue restriction upon entrance to the trade. Monopoly of a particular grade of labor is doubtless less feasible than the formation of trusts and pools in the corporate realm; but when it exists it should be amenable to the same rules. Very few could agree without reservation to the statement which Mr. Gompers made in his debate with Governor Allen of Kansas, that the interests of the public are identical with those of labor. Private monopoly, even though its ill-gotten gains are widely distributed, has the power to injure so many more than

[1] Cf. Commons, "Causes of the Union-shop Policy," *American Economic Association Publications* (third series), vol. vi (1905), pp. 140-159. There are, however, a good many strikes "against non-union men" in Great Britain. (See current files of the *Labour Gazette*.)

[2] Cf. Gompers, Morrison, and others in Beman, *Closed Shop* (New York, 1922), pp. 48, *et seq.*, 90, *et seq.*, 102, *et seq.*

it benefits that it cannot be allowed to go unregulated. A monopolistic union denies equality of opportunity to those who wish to learn and enter the trade but are prevented by its rules from doing so; the improved wages and conditions which it wins for its members may be paid for in part by deductions from the rightful wages of those in the same industry who are less fortunate or less well organized; its exorbitant demands are a constant annoyance to the employer, unless, as has sometimes happened in the glass industry and in the building trades, he and his associates attempt to form a monopoly of their own by an alliance with the labor monopoly; it has the usual effect of monopoly in hindering business enterprise and technical progress, unless it be in the hope of thwarting it and shaking it off; and the consumer pays the bills.

Anyone, however, who believes in unionism and collective bargaining at all must grant the logic of the demand for the union-shop, so long as labor organization is upon the defensive, and so long as the union itself is kept open to all comers upon reasonable terms. Any association, society, or profession is acknowledged to have the right to establish certain standards and to require certain qualifications for admission to its ranks. In doing so it is very likely protecting the public interest as well as itself. And a union which does not charge excessive initiation fees, which makes no discrimination against applicants on account of race or sex, which restricts apprenticeship only so far as to insure adequate training of candidates and the maintenance of proper standards, and which does not practice violence or intimidation during trade disputes, must be regarded as an essentially democratic institution, resting wholly upon its merits. Its power in bargaining with the employers will depend solely upon the real importance of the skill and services of its members in the process of production. Its funds and the degree of loyalty it is able to inspire in its members, and the help and sympathy it can expect from other workers and from the public (although this is less well informed and reliable than it should be)—consequently its waiting-power in time of strike—will be determined

by its past record for usefulness and conservatism, by the apparent justice of its present cause, and by the already established economic standing and resources of its members. In employing expert salesmen and enforcing the common rule, it protects its members from unfair or cutthroat tactics on the part of an unscrupulous employer, and presumably raises the level of wages and other conditions above what any one of them could obtain if standing alone. There is here no trace of monopoly price. At most it succeeds only in restoring the balance and securing more prompt adjustments, so that it brings to pass that full productivity wage which economists have presented as the ideal.

The non-union man who is such from choice, and not because, although thoroughly competent, he is unable to get in, is hardly a creature upon whom it is worth while to waste any sympathy. In so far as the non-union man benefits from the raising of standards through the efforts of the union, he is gathering where he has not strewn; and if he does not benefit, he and his kind have only themselves to blame. As a matter of fact, most non-unionists in organized trades are indifferent to rather than opposed to the union, and when it comes to a fight they usually refuse to become "scabs." Some of them are newcomers from other countries or perhaps from small towns where they have not become awake to conditions or imbued with the idea of organization. Some feel that they are to be in the work only temporarily and have no vivid perception of the benefits which union membership and the payment of union dues will bring to them. That is one of the features that makes it difficult to organize women-workers. Others are less worthy and less well disposed—tramps, hobos, blacklegs, who are perhaps incapable of sustained effort but who are willing to take advantage of a strike to secure good pay, regardless of the consequences to others; and then, having done all the damage they can, drop out. In any case the non-union man is a menace and an element of uncertainty in union operations, and a large number of vile epithets have been concocted to express the bitterness which the unions feel toward him.

2. WHAT CONSTITUTES AN OPEN UNION?

Just what constitute reasonable standards for admission under which a union might still be said to be an open union will vary, of course, with each trade and the existing circumstances. Fees and dues must be gaged according to the estimated ability and willingness of the average candidate or member to pay. To make the initiation fee too high may deter men (who will none the less continue to carry on the trade outside) from joining, and thus weaken rather than strengthen the organization. The craft union is founded upon the common rule, and the benefits derived from it by different members are, as in a club, assumed to be approximately equal; so that there is no just ground for discriminatory rates. In industrial unions made up of several different grades of labor with different wage-scales, there may well be, for the sake of a real equality in burdens and with a view to bringing in the lower-paid workers, some reasonable classification of initiation fees and dues. The exclusion of women from the union, with the hope of preventing their competition, is unwarranted and shortsighted. The only real protection against having standards undermined from this source is in organizing the women in the same or in separate unions, and insisting upon the principle of equal pay for equal work. This will insure that either men or women will be hired upon their merits and relative efficiency and not because one is cheaper than the other.[1] The same applies to race discriminations. Economic forces largely ignore race and sex differences, and the unions must do the same if they are to be effective as well as just.

Proper rules as to apprenticeships are the greatest problem. In spite of all that has been said about the effect of machinery and specialization in dethroning skill, there is still much need in all large industries for well-trained, all-round mechanics; and these are especially the class that have been successful in building up strong organizations. A union of such workmen has a justifiable interest in the real competency of its members, since upon that depends the good will and bargaining

[1] Cf. Webb, Mrs. Sidney, *The Wages of Men and Women: Should They Be Equal?* (pamphlet) (London, 1919), esp. pp. 21-24, 33-41, 46-48, 58.

power which the union can build up. An incompetent member is not only a disgrace; he is constantly getting out of employment and is a burden upon the funds of the organization until he really learns the trade or is expelled. Hence a period of training under conditions such as to assure thorough instruction in all branches of the craft is a reasonable requirement. Where the work is such as to require agility and finesse it may be proper also to demand that it be started before a certain age; but fixed age-requirements are usually to be regarded as devices for the limitation of numbers. The length of apprenticeship should naturally vary with the amount to be learned—the complexity of the trade and the degree of skill necessary. It is primarily the employer's lookout whether an additional year or two is prescribed, as under the guild system, to offset the extra cost of instruction in the earlier part of the term.

A third feature, the *number* of apprentices to be permitted in a shop at one time, has an even more important bearing upon the question of union restrictions. Under the older practice the task of instructing the apprentice fell to the journeymen; and where this still prevails there is in each case some judicious proportion between journeymen and apprentices that will insure adequate training without undue interference with the regular work of the shop. Beyond this it may be doubted whether the union has any mandate to engage in vocational guidance. It is not desirable that the labor-supply, any more than the amount of capital invested in different industries, should become unbalanced—that one industry should be overmanned while some other is suffering from a shortage. The number of new recruits at any time should bear as close a relation as possible to the estimated rate of growth of the industry and to the future demand when weighed or corrected by the average trade life of present incumbents.[1] Future demand is difficult if not impossible to predict, so that adjustment has to be made through individual choice based upon comparative present wages and the relative

[1] Cf. Sanger, "The Fair Number of Apprentices in a Trade," *Economic Review* (London), vol. v (1895), p. 616, *et seq.*

attractiveness of the occupation in point of difficulty of learning and social standing, as well as the youth's own tastes and talents. Ideally, he should be given information from some unbiased source and, where possible, experience respecting different trades and occupations, so that he can make a wise choice both for himself and for society. Neither the employer nor the labor union is sufficiently disinterested to be depended upon for this service; and only the absence of other more purely educational guidance and the fact that the employer and the union have interests sufficiently opposed to act as a check upon one another warrant leaving the matter in their hands.

Finally, whatever the apprenticeship requirements in union-shops, there should, in fairness and for the ultimate welfare of the union itself, be some plan of admission by competency or examination for those who profess to have learned the trade outside.

3. BRITISH PRACTICE REGARDING RESTRICTION

With respect to their terms of admission, the unions in both Great Britain and the United States have obviously been torn between two desires. Especially in the older country, they inherited from the guilds and from Elizabethan legislation a tradition of vested rights and craft-pride which made them look upon their trades as a species of property not to be taken from them or infringed upon by interlopers—something that could be passed down as a patrimony to the next generation. After being somewhat disillusioned upon this score by the ruthlessness with which an age of competition scraps everything that stands in its way, they have still struggled against the influx of "green hands" which threatened not only to make their trades a lost art, but to bring unemployment and low standards upon all engaged in them. They have wished, therefore, as far as possible, to prevent too large a number of persons from learning and entering their crafts. On the other hand, they have been awakened to the necessity, for the sake of enforcing the common rule, of taking in, even compelling to come in, all who by hook or by crook have already

learned and have shown themselves capable of competing for jobs. The result is often a Janus-faced inconsistency between claims and pretensions as stated in union rules, and the actual practice of everyday unionism. There may be a forbidding aspect of exclusiveness at the front door, while at the same time even persons without a wedding garment are being freely welcomed at the side or the rear. Thus the unions have frequently had to bear the stigma of attempting monopoly or quasi-monopoly, without being allowed to enjoy any of its supposed security and coveted blessings.

All the evidence seems to show that, except in a few trades where skill is especially well entrenched and the organization especially strong and complete, the unions have been quite unsuccessful in enforcing apprenticeship or any other membership restrictions, beyond a certain degree of competency and the ability to earn the standard wage. Mr. and Mrs. Webb, writing in 1897, found that the restriction upon the number of apprentices (commonly one to five journeymen), the idea of entrance only for members' sons, and even a prescribed probationary period—while still remaining in the rules of many British unions as an expression of what they would like to do if they only could—are really enforced in but a few exceptionally situated trades, such as those of the Boilermakers, the Stone Masons, the Sheffield Cutlers, and the glass and bottle makers. Three-fifths of the entire union membership at that date was in unions like the Cotton Operatives and the Coal Miners, which in no way restrict apprenticeship; and, strangely enough, these "open trades" represented some of the strongest and most successful unions. Other important trades, such as the Compositors and the Engineers, have had to relax and even abandon their restrictions in the face of competition of machine methods and of men who have acquired their craft in country towns or non-union shops outside apprenticeship regulations. Evidently, the unions have gone in this matter in the same direction as the old guilds in their later days. "Thus, notwithstanding a strong Trade Union feeling in favor of apprenticeship regulations, these cannot be said to be enforced to-day over more than a small fraction of

the Trade Union world, and, with the remarkable exception of the Boilermakers, even this fraction is dwindling."[1] The efforts made by the Boot and Shoe Operatives, the Compositors, the Engineers, and then Iron Molders to limit the number of boys engaged in blind-alley occupations have also been largely fruitless and inoperative.[2] With respect to woman-labor the inclusive policy has been forced upon even the most conservative British unions, although the Engineers have compromised by forming an alliance with the National Federation of Women Workers instead of admitting women to their own ranks. The Compositors surrendered to the inevitable in 1886 by admitting women on the same terms as men. The cotton weavers and some other textile trades show a majority of women members. In all cases the men find their own best safeguard is in extending the same protection to women and demanding for them the same scale for the same work. And the women, on their part, are not content with being merely silent partners but are taking a more and more active share in union proceedings.[3]

The events of the war-period and the "dilution" policy, official and unofficial, which was then put into effect, have served greatly to hasten and accentuate the tendencies already noted. When the British government realized that the struggle was quite as much one of industrial organization and efficiency as of armies, it also perceived that in many essential industries there still lingered a network of restrictions upon the application of labor, which—however desirable or defensible in normal times—was a handicap upon the maximum production of munitions. As Lloyd George, then Minister of Munitions, stated it in his defense of the government's proposal before the Trades Union Congress in 1915, "There is

[1] Webb, *Industrial Democracy*, p. 476. Cf. also, pp. 454-481. Lloyd, *Trade Unionism*, pp. 111-115. Sanger, *op. cit.*, pp. 628-630. *The Report of the Royal Commission on Labour*, 1892-94 (vol. xxxvi, part iv, pp. xiv, xxx), contained many complaints by unions of the non-observance of apprenticeship requirements.

[2] Webb, *op cit.*, pp. 482-489.

[3] Cf. Webb, pp. 495-507; Macarthur, Mary B., "The Women Trade-Unionists' Point of View," in Phillips (ed.), *Women and the Labour Party* (London, 1918, pp. 18-28.

a good deal of work which is being done by skilled workmen now, highly skilled workmen who have years of training, which can just as easily be done by those who have only a few weeks' or a few days' training." [1] The dilution plan to which the unions were asked to accede and which was embodied in the Munitions Act of 1915 involved using the skilled workers as instructors or directors of the unskilled, and the employment of women as far as practicable on all classes of work in munitions industries for which they were suitable, it being guaranteed that record would be kept of substitutions thus made and of all relaxation of trade practices, so that the pre-war status could be restored when the War was over.

Later on, for the purpose of keeping up industries not engaged upon government work and at the same time of releasing for military duty as many men as possible, the ministry proposed a further extension of the dilution policy. Amendments to the Munitions Acts presented in 1917 giving power to require such dilution upon private work were withdrawn because of trade union objections; but the government continued to encourage the substitution of women for men. The unions were naturally hostile and suspicious toward such a policy because they feared that it involved the permanent surrender of most of the safeguards which usage and their own efforts had built up. The Miners' Federation secured total exemption from the Act of 1915; and some other unions whose work was perhaps equally unadapted for woman labor, such as the Amalgamated Woodworkers, did not submit to dilution. The Engineers first required additional assurances as the price of their co-operation. But patriotism, together with the solemn guarantees of restoration, and the assurance that private employers would not be permitted to profit by the relaxation of standards, ultimately won general consent; and nearly a million and a half of women were added to the ranks of industry during the war-period. The government fulfilled its pledge to the extent of passing the Pre-war Practices

[1] Quoted in Hammond, *British Labor Conditions and Legislation During the War* (Carnegie Endowment for International Peace) (Oxford University Press New York, 1919)), pp. 141-142.

Act of 1919, which required the restoration of the old restrictions for a year and the discharge of women doing work formerly done by men and for which men were now available. But both with reference to the personnel and to the methods of production (to be discussed below) conditions could not be restored; and it was more than doubtful even from a labor viewpoint if it was desirable that they should be. The War had lasted longer than was anticipated; women-workers, many of whom had taken up work temporarily and out of patriotism, worked into more and more skilled portions of the trades and acquired a kind of vested interest comparable to that of the men whose places they had taken; numbers of them (one writer estimates 600,000 more than before the War) were now widowed or "doomed" to perpetual maidenhood, therefore dependent upon their own efforts; the record-keeping of changes and substitutions and the construction put upon the provision regarding "departures" had been loose and uncertain; a severe and prolonged depression soon came over British industry; so that altogether it has been very difficult to estimate the real consequences of the dilution policy. Certainly, with an enlarged reserve army of skilled men and women, they lie in the direction of greater relaxation of union admission requirements and of a more inclusive type of organization.[1]

4. RESTRICTIVE TACTICS IN AMERICA

In America there has been much less of tradition and usage to come to the aid of the unions in restricting admission to their trades. It is significant that, according to Dr. Motley's analysis of the 120 national unions affiliated with the American Federation of Labor in 1904 (and so far as conditions have changed since, they are still less favorable to union apprenticeship), there were fifty which did not attempt to enforce apprenticeship regulations at all; and that of the seventy others

[1] Cf. Hammond, *op. cit.*, chap. vii. Kirkaldy and others, *British Labour 1914-21* (London, 1921), pp. xix-xxxiv, 62, *et seq.*, 107-115. Webb, *Restoration of Trade Union Conditions* (New York, 1917). Amalgamated Engineering Union, *Monthly Journal* (London, January, 1916), pp. 21-23, 74-78; February 1916, pp. 16-17, 62-64, etc.

which did have such rules, only nineteen were able to make them generally effective.[1] Several of the unions in the first group and the Railroad Brotherhoods outside the Federation find sufficient protection in the high degree of skill and responsibility which their work demands, and require no artificial barriers. Employers are not likely to flood the market with telegraphers, engineers, musicians, or actors, for they do not grow upon every tree. Others, besides possessing a considerable degree of skill, obtain a certain natural protection from the risks connected with their occupation and the physical stamina required. Such are the Mine Workers, Structural Iron Workers, Longshoremen, and Seamen. But a large number, like the clothing workers and the textile workers, even though they may likewise possess considerable skill, find that it is of such a common variety or so readily acquired that no restriction other than a working test is possible.

Of the nineteen unions which Dr. Motley found were able to make apprenticeship rules for admission effective, the majority were (like the Pattern Makers, Bricklayers, Glass Blowers, Iron Molders, and Granite Cutters) highly skilled, thoroughly organized, often made up of compact and localized trades, with an economic security similar to that of the group already mentioned. Even at the time of Dr. Motley's study, the Iron Molders had very much relaxed their apprenticeship rules in favor of admission by competency. In 1902 the requirement of an all-round training was abandoned, and a large portion of the so-called apprentices have been trained only in one branch of the trade and may be just molding-machine operators. The effort to restrict the number of apprentices to a proportion less than one to five (which was made for many years against the advice of national officers) proved futile, and for a time threatened the harmonious relations existing in the stove branch of the industry. Certainly, the Molders could not be styled a water-tight organization.[2] The Glass Blowers also

[1] Motley, *Apprenticeship in American Trade Unions* (*J. H. U. Studies*, 1907), pp. 53-65.

[2] Stockton, *The International Molders Union of North America* (*J. H. U. Studies*, 1921), pp. 57-59, 175-179; Motley, *op. cit.*, pp. 42-51.

have now only slight control of the machine branch of their trade and could hardly be called monopolistic.

Some of the remaining fifty or more unions which have retained apprenticeship requirements on their books are able to enforce them in localities where they are strongly organized, but in many cases have had to substitute admission by competency. The Cigarmakers, the building trades (other than the Bricklayers), and the Typographical Union are of this class.[1] It does not pay to be too "fussy." Narrow apprenticeship rules on the part of the local union were one of the causes given for the departure of three cigar-manufacturing firms from Boston about 1920. Union domination is said to have influenced several of the large printing and publishing houses to seek the more salubrious breezes of distant suburbs. Nationalization of apprenticeship rules has helped to prevent some of the excesses, but has not served to make the rules generally effective.

The truth is that apprenticeship—the learning of skilled trades—has been going through a process of transition with results that are not satisfactory to anyone. Granting that not so many all-round mechanics and skilled craftsmen are needed under machine industry, there is yet need for some form of industrial training. Managerial positions demand broader training and experience than comes to the specialist; and the progress of invention and technology, upon which the continued expansion of industry so much depends, is not likely to spring from a mass of insect minds. Greater versatility on the part of the specialists themselves would lessen the chances of unemployment and cut down labor turnover. Yet often, as in the building trades of Boston and New York to-day, the quota of apprentices allowed under union rules or collective agreements has not been filled. A wrong sense of values which makes many boys aspire to white-collar jobs regardless of everything else, or the shortsightedness that makes the immediate pay of a blind-alley, machine-tending job seem more attractive than the assured income of the skilled mechanic

[1] Wolfe, *Admission to American Trade Unions* (*J. H. U. Studies*, 1912) chaps. ii and iii; Barnett, *The Printers*, p. 301, *et seq.*

at the end of several years of low-paid training, must be corrected before the balance is restored.

Haste and the mania for output have more and more unfitted the shop for a school. Boys who are supposed to be initiated into the whole trade by passing from one step, as soon as it is learned, to another have come to be looked upon by both employer and journeymen as an encumbrance, and in consequence have been sadly neglected. The employer has been depending for the necessary skeleton force of skilled men upon the survivors of the old régime, upon immigrant workmen, and such as he could "steal" from his competitors. More recently many companies have introduced training shops where the processes of manufacture are carried on in miniature; and a considerable impetus of a rather superficial sort was given to this plan during the War. Some of the anti-union employers' associations have tried subsidizing training schools as recruiting grounds for their members. Several of the unions—notably those in the printing and allied trades—have themselves established training courses. But among impartial students of the problem, chief dependence is now being placed upon some plan of industrial education maintained from public funds, in which school training can be so combined with practical work that each enriches and reenforces the other. Wisconsin has been operating such a scheme with considerable success since 1915, and other states and cities are following suit.[1] Thus apprenticeship is passing out of the field of unionism proper into that of legislation and public education. The American Federation of Labor has repeatedly endorsed the idea of industrial education under what it considers proper safeguards against playing into the hands of employers. It insists upon strictly public control of the same sort as for other education; that the undertaking be based upon a survey of community needs; and that the training be made really thorough and adequate. Where private enter-

[1] Cf. Industrial Commission of Wisconsin, *The Apprenticeship Law with Explanations* (1921); *First Report on Apprenticeship* (1916); *Second Annual Report on Apprenticeship in Wisconsin* (1918); Commons, *Labor and Administration*, chap. xx.

prise fails, the state and the community must come in to fill the gap.[1]

American unions were not very prompt nor gentlemanly in welcoming *women* to their ranks and in according them full participation in the conduct of union affairs. Even now, when most of those trades where women are employed in any considerable numbers have been forced in self-defense to admit and organize them, the position of the woman member or delegate in the tobacco-laden atmosphere of the union meeting is not always a pleasant one. The printers were one of the first unions that had to deal with the problem. They vainly tried to debar women from the trade; then chartered separate locals for them; and finally in 1884 required subordinate unions to abolish all discrimination on account of sex.[2] The Cigarmakers had a similar experience, and when women had been used repeatedly as strikebreakers began in the late seventies actively to organize them. The Iron Molders are one of the half-dozen or so unions in whose trades women find employment, which have persisted to the present day in excluding them from membership. The Molders have cloaked their opposition to the influx of women coremakers in part under solicitude for their health, and have thus been able to call legislation to their aid.[3] The Barbers, Watchcase Engravers, and the Switchmen still exclude women.[4] It is reported that no women were employed during the war-period as conductors on any street-railway lines where locals of the Amalgamated Association existed. The union leaders declared that there were plenty of men available if proper wages were offered, and that such work was not suitable for women.[5] The Potters, Upholsterers, and Paper Makers admit women

[1] Cf. *Proceedings of the American Federation of Labor,* 1908, pp. 98, 234; 1909, pp. 35, 133, 275; 1912, pp. 137, 269; 1915, p. 110. *American Federation of Labor History,* 1919, pp. 209-214. Cf., also, Douglas, *Apprenticeship and Industrial Education* (*Columbia University Studies,* 1921), esp. chap. iii and p. 321, *et seq.;* Lescohier, *The Labor Market,* pp. 74-89, 132-138.

[2] Tracy, *History of the Typographical Union,* p. 372; Wolfe, *Admission to American Trade Unions,* pp. 77-79.

[3] Wolfe, *op cit.,* pp. 79-81; Stockton, *Iron Molders Union,* pp. 61-63.

[4] Wolfe, *op. cit.,* p. 85.

[5] *Motorman and Conductor* (Detroit, January, 1918), p. 12; February, 1918, p. 10.

who are working in certain branches of their respective trades but not in others. But in all those trades in which the competition of women is actively felt, and in some of which they are in the majority, the lesson seems to have been well learned—the common rule must apply to all.[1]

About a dozen American unions expressly exclude *negroes* from membership. The official position of the American Federation is against any such discrimination, and the Machinists were for several years suspended on this account; but the general pliability of the federal body is again demonstrated by its ready forgiveness. Eight of the "lily-white" organizations are now affiliated with the Federation; the other four are the Railroad Brotherhoods. In fact, the penchant for exclusion appears to be particularly strong among railroad men, since the Maintenance-of-the-Way Employees, the Switchmen, and the Telegraphers are also in the group.[2] It may be said in palliation, that, with two or three exceptions, these are not occupations into which the negroes have shown a tendency in any case to enter.

Undoubtedly, the policy of local unions in other trades has often been less liberal than the declarations of nationals; but the general rule is that where the negroes have entered an organized trade in considerable numbers, as in coal mining, carpentering, iron molding, meat packing, and teaming or automobile driving, they have been recognized and included either in the same or in separate locals. Exclusion is seen to be an example of unreasoning even though innate race-prejudice, not confined to any one section nor to labor unions as such; whereas economic pressure is a powerful factor in its eradication.

Booker T. Washington concludes an inquiry into the attitude of leading union men toward his race with the statement: "I am convinced that these organizations can and will become an important means of doing away with the prejudice that

[1] Wolfe, *op. cit.*, pp. 86-95.

[2] Washington, Booker T., "The Negro and the Labor Unions," *Atlantic Monthly*, vol. cxi (1913), p. 759; Wolfe, *op. cit.*, pp. 117, 133. The Machinists accomplish by indirection what they formerly did directly. A pledge is given by members to propose only white persons for membership.

now exists in many parts of the country against the negro laborer. I believe that they will do this not merely, as Mr. Gompers has said, from 'principle' but because it is to their interest to do so."[1] Doubtless as the negro comes more and more into contact with industrial life and with unionism (as he may well do if Northern manufacturers continue to turn to him to compensate for restricted immigration), he will lose some of that old sense of personal relationship with his employer to which he has been trained, and will show a proper independence and loyalty to his economic group.

There is, finally, under the question of union restrictions upon personnel, the matter of *initiation fees,* and the related matter of admission to foreigners. For, while there have been instances of unreasonable entrance fees levied by local unions upon all applicants, these have usually been resorted to as a kind of protective tariff against foreigners.[2] It is well known that many American unions are chiefly composed of immigrants, and reference has already been made to the services which such organizations as the Miners, the stockyards unions, and others have performed in assimilation and Americanization. This need not, however, imply that, being here themselves, they are eager to welcome further contingents. Indeed, the requirement of naturalization, or at least of "declaration of intention," has been used by some of the unions (not always themselves of pure Yankee stock) as a limitation upon numbers. The Bricklayers, Brewery Workmen, Bakers, Window Glass Workers, Carpenters, Musicians, and a few others have had such a requirement.[3]

Union fees and dues have been more and more subject to national control, sometimes with a fixed minimum and sometimes with a maximum. A notable tendency accompanying

[1] *Op. cit.,* p. 767. Cf. Wolfe, *op. cit.,* p. 132-134.

[2] The Cleveland investigation into building costs in 1920 indicated that initiation fees in the building trades there were higher than in many other cities. Electrical Workers were reported to charge $200, Elevator Constructors, $100, Stationary Engineers, $100, and Carpenters, $50. (*Report,* p. 26.) The Building Laborers of New York, an unskilled trade, were several years since reported to charge a $50 fee. At the opposite extreme in point of skill were the Diamond Cutters, a small union with a high fee.

[3] Wolfe, *op cit.,* pp. 100-101; and union *Constitutions.*

the movement toward industrial unionism has been that of a lower scale of fees for particular grades of workmen, as, for example, the specialists among the machinists, and the proposal for half-dues and half-benefits in so-called "cheap districts," discussed by the Cigarmakers some years ago.[1] But several closely knit crafts have used or allowed their locals to use the initiation fee as a means of discouraging foreign applicants. The Window Glass Workers have taxed the newcomer at the rate of $300; the Glass Bottle Blowers in 1903 set a charge of $500; and this same fee has been levied by the Wire Weavers since 1895. A fee of $100 is reported being charged by the Musicians in New York; and the Photoengravers, with a 98 per cent organization in their trade, are authorized at the discretion of their officers to charge foreigners $200. Eight or ten other unions have resorted to the same device.[2]

Yet these must be regarded as exceptions, possible only for strongly organized, highly skilled trades. Sometimes the charge may be considered a *quid pro quo,* buying into the partnership or the advantages which the union has won for its members. None the less, it is a practice that offers opportunity for abuse, and does not place unionism in a favorable light.

[1] *Cigarmakers' Official Journal,* February 15, 1913, p. 2.
[2] Cf. Wolfe, *op cit.,* pp. 103-104; *Constitutions.*

CHAPTER XIII

RESTRICTION OF OUTPUT

1. THE INDICTMENT

THE gravest charge that has been made against the labor unions is that they restrict output. "Soldiering," "shirking," "skulking," "slacking," "ca' canny," and "go easy" are none of them pleasant or complimentary terms; yet all of them have been applied to the workers and especially to the members of unions. The practices which they describe are completely out of harmony with the spirit of our times; and the belief that union men are guilty of them has done more than anything else to bring the unions into disrepute and to alienate public sympathy from their cause. Restriction of output is condemned as being not only dishonest but, what to many people seems worse, foolish and unintelligent. A whole train of direful consequences is attributed to it. It has been given as a major cause for the high cost of living. The housing shortage which has been so acute in all towns and cities is laid chiefly to the high-handed tactics of the bricklayers and carpenters and plumbers. Reports are frequently circulated that certain well-established firms have pulled up stakes and left Chicago or Boston, Lynn, Toledo, or some other place, and that certain other firms have resisted the blandishments of chambers of commerce, all because the old town was thought to be union-ridden.

British writers, especially, have found in the restrictive policies of labor the explanation for a relative decline in export trade and a reason for fearing its utter ruination. The seeming slowness with which labor responded to the demands made upon it during the War, when taken in conjunction with some socialist propaganda and numerous strikes, led to serious doubts respecting its loyalty and patriotism.

In general, restriction of output, by whatever method, is declared to be harmful to all parties. It discourages enterprise; it obstructs that progressive application of science to industry which supplies the material basis of our civilization; and it is suicidal because it diminishes the product from which labor itself must be paid.

And the charge seems to be well supported. All critics agree that the evil is greater in England, the home of trade unionism and the country whose industries have been most largely dominated by it, than in America. Several British writers, indeed, have endeavored to make the American laborer popular abroad by holding him up as a model workman who always co-operates and does what he is told. J. Ellis Barker, as a result of a six months' trip in America and of a study of British conditions, comes to some very bitter conclusions. After demonstrating statistically, to his own satisfaction at least, that the output per laborer in comparable industries is approximately three times as great in America as in England, he argues that, while British employers may have been less progressive in introducing the labor-saving machinery and high motive power that characterizes American industry, this, in turn, is largely due to the opposition of British labor to all such innovations. "British workers have hitherto endeavored to keep output low by deliberately going slow and by opposing the introduction of improved machinery, believing that a greatly increased output was harmful to labor." [1] A writer in the *Fortnightly Review* blames the British miners for having restricted their output for years to one-third what American miners produce, thus placing a severe handicap upon British exports not only of coal but of other commodities.[2] Lynden Macassey, who has had experience as an engineer and as a member of the British Labor Department during the War, has likewise found that "the assumed advantage of restricting output is a dangerous and wide-

[1] Barker, *Economic Statesmanship* (2d ed.) (New York, 1920), p. 539. Cf. also, pp. 123, *et seq.*, 542.

[2] "Politicus," "The Coal Trouble and the Delusions of Labour," *Fortnightly Review*, May, 1921, pp. 747-753. Cf., to the same effect, Lea, J. W., *Britain's Decline* (Birmingham, 1922), pp. 47-48, 60-61.

spread fallacy" among British workers. Perhaps his testimony might have been more convincing if he had omitted to add the deadly American parallel: "There restriction of output is not merely unknown, it is definitely repudiated by the Trade Unions." [1] For, while it is granted by Professor Commons and his associates in the extensive study made for the Commissioner of Labor in 1904,[2] and by Professor Taussig,[3] Frederick Taylor,[4] and others who have more recently made comparisons, that the practice of restriction is by no means so prevalent nor so ingrained in the United States as in Great Britain, it is fully enough exemplified on this side also. The difference may be accounted for quite as much by a difference in the extent and power of labor organizations as by one of spirit or desire.

2. NATURE OF THE OFFENSE

Broadly speaking, the term "restriction of output" includes all those methods and policies of labor unions that interfere, or are believed to interfere, with maximum production and the most efficient conduct of business. Those suspensions due to strikes may be left for later discussion. Other practices coming more strictly under the term fall into some four different groups:

1. *Personnel.*—Union rules as to admission and as to entrance to the trade, such as those already treated, and any other rules which limit the manager's power to choose, direct, discharge, or promote members of his working force, are, potentially at least, checks upon business efficiency. They constitute an assumption by the union of functions that traditionally belong to the management, and thereby threaten to bring about a division of authority and loss of discipline. By whatever course the superintendent or manager may have reached his lofty eminence, it has been supposed that he or

[1] Macassey, *Labour Policy: False and True* (London, 1922), pp. 294, 296.
[2] Commissioner of Labor, *Eleventh Special Report, Regulation and Restriction of Output* (Washington, 1904), p. 30.
[3] Taussig, *Some Aspects of the Tariff Question* (Harvard University Press, 1915), pp. 283-284.
[4] Taylor, Frederick W., *Shop Management* (New York, 1911), p. 32, *et seq.*

his immediate subordinates, the employment manager or the foreman, should have complete power and freedom to choose and to command. His task is that of adapting the means, including the labor factor, as carefully and economically as possible to the process of production. Presumably, he knows best what work there is to be done and what kind of person is best fitted to do it. Under such circumstances it is particularly exasperating to have the union, which probably includes the most indispensable portion of this labor factor, attempt to dictate what grade of labor and perhaps even what individuals shall be employed, what shall be the order and basis for advancement in the trade, and what the permissible grounds of discharge. How can a manager be expected to maintain order and efficiency in his plant when his men are trying to serve two masters and are really more punctilious about the observance of union rules than about obeying their employer's orders?

There are striking examples of such interference with managerial prerogatives. The very fact that "dilution" was found to be so largely possible in Great Britain during the War, and that it was necessary to secure the abrogation or suspension of a whole network of union rules and usages to bring it to pass, shows how the patience of progressive employers must have been tried. There cannot but be a waste in hiring skilled and highly paid workmen to perform portions of the work which a low-paid novice can quickly learn to do; particularly so when these possible substitutes are otherwise unemployed or less gainfully employed elsewhere. A misapplication of ability and effort or its use for other than its primary purpose means a loss of output, if not in this particular plant, in the industrial world generally. Besides, it carries with it in this case a loss of the other advantages of division of labor and often of using improved machinery.[1] At the other extreme, but with the same result, are such minute and unreasonable classifications as have appeared in some of

[1] This view does not agree with that expressed in the *Report on Regulation and Restriction of Output* (p. 16) that such limitations upon the grading of tasks is purely a question of wages.

our American railroad workers' "schedules." Under these, in the absence of the functionary assigned to the task, it is impossible for the engineer or fireman of a locomotive to turn on the water from a roadside tank; and the presence of members of several different shop-crafts has sometimes been required to make repairs upon a locomotive that could have been speedily dispatched by a single mechanic. That, to the employer and to the public, looks like "jurisdiction" gone mad.

There is apparently little objection to the customary practices of unions in maintaining a voluntary "waiting-list," upon which unemployed members are registered in the order of their appearance and from which they are recommended to any employer who applies to the business agent for men. The employer is left free in such cases to ask for or to reject certain members whose qualifications or lack of qualifications he knows; and the whole system helps to organize the labor market and bring jobs and men more quickly together. But the *compulsory* waiting-list, where it has been resorted to, has fewer friends. Because in the United States few unions have developed any system of out-of-work pay, which might give a stronger reason for striving to distribute employment evenly among their members, and because it does seem to be such a grave encroachment upon the employer's "rights" to require that he not only hire union men but that he accept the specific ones at the top of a list, this device has not been widely adopted. Where it has been used it is commonly connected with the matter of discharge, rehiring, and promotion, rather than for the purpose of forcing entirely new employees upon the unwilling employer. Several of the British unions, among them the Boilermakers, the Steel Smelters, and the Flint Glass Workers, have long had a grade system under which the employer is expected to promote men in a certain order.[1] The effort of some locals of the United Mine Workers of America to enforce a waiting-list against the whims and prejudices of mine managers, was the subject of much discussion between miners and operators at their joint conven-

[1] Webb, *Industrial Democracy*, pp. 459-495.

tion in 1902.[1] But the leading examples of the system in America are the "priority law" of the Typographical Union, and the "seniority rule" of the railroad unions.

The priority rule has been applied by the printers since about 1890. It covers the whole process of "hiring and firing." Under it men can be discharged only for proved incompetence in the department of work for which they were hired, for disobedience to reasonable shop rules, for neglect of duty, and for the purpose of reducing the force in slack periods. When it is necessary to reduce the force, the last person employed shall be the first to be discharged; and when the force is again increased these former employees shall be taken on again in the reverse order to that of their discharge before any new help can be employed. Substitutes working in an office shall have first claim to regular positions in their respective lines of work, in the order of their length of service.[2] This rule makes it difficult for a foreman to discriminate between excellence and mere competence. A publisher quoted by Professor Barnett declares that "the foreman under the priority law is nothing more than a clerk";[3] and another publisher calls the waiting list "a relic of bygone days."[4] Owing to the strain and pressure in many of the large city offices, the law is not always fully adhered to; but in those offices where it has been fully enforced for a long period (as in Cincinnati at the time of the government investigation) a larger proportion of old and slow men are found and the rate of production is admittedly lower.[5] Even many members of the union feel that the rule is unfair to men of superior efficiency, that it fails to give the proper incentive to exert oneself, and that it often ties a man down to a particular shop, when, but for loss of priority privileges, he might do better elsewhere.

The seniority rule in the railway service has come in for much criticism at various times when the railways themselves

[1] *Report on Regulation and Restriction of Output*, pp. 458-478.
[2] International Typographical Union, *Book of Laws*, 1921, sec. 132; Barnett, *The Printers*, chap. xiii.
[3] *Op. cit.*, p. 240.
[4] *Report*, p. 62.
[5] *Report*, pp. 57-65.

have been on the defensive. It was one of the explanations given for a series of disastrous wrecks that occurred on the New York, New Haven, and Hartford Lines in 1913.[1] And it has been called in again during post-bellum difficulties. Each branch of the railway service has its schedule or set of rules according to which the performance of its duties is governed. The so-called seniority rule which appears in almost identical language in all these schedules seems on its face a perfectly fair and reasonable statement:

> Promotions will be governed by merit, ability and seniority; all things being equal, preference will be given to men longest in service, the superintendent to be judge of qualifications.[2]

The source of demoralization appears rather in the application of the rule, whereby superintendents, for the sake of peace and quietness, have come to consider almost solely the matter of seniority. As Mr. Fagan states it, "The personality and influence of the manager in dealing with individuals and their efficiency have lost ground. He is obliged to issue his orders and administer his discipline with his eye on the schedule and his mind on the grievance committee." [3] Under this scheme not only has length of service become the principal title to advancement, but each division of a railroad system has become a little domain in itself, in which each worker in any branch of the service, whether as trainman, signalman, or engineer, has a prior claim to any open position in his branch and division over any person from another branch of the service or another division of the road. Probably, Elisha Lee, Vice-President of the Pennsylvania Railroad, has described the present situation more convincingly than anyone else:

> The hard-and-fast seniority rule destroys the incentive to individual effort and enterprise and makes for stagnation. Seniority is

[1] Cf. New York *Evening Post*, September 3, 12, 1913 (ed.) and October 13, 1913.

[2] Quoted by J. O. Fagan in the manuscript of two lectures on "Some of the Limitations Imposed on the Management of Railroads and on the Efficiency of Employees by Organized Labor and Other Factors" (1911), in the *Harvard Business School Library*.

[3] *Lecture 2*, p. 5.

correct as a broad underlying principle, but there should be discretionary authority to make selections for promotion, and, when forces are being reduced, there should be some more intelligent rule of picking those who are to stay than the mere question of priority of dates on a service record.[1]

I wish we could return to the condition which existed in the days when every man entering the ranks thought that he had a chance to become president of his company, and that he should work for that job, if he had it in him, or, at any rate, for the best position which his abilities could win.[2]

2. *Wage-payment and Exertion.*—There still lingers in many quarters the ancient belief that the common rule or standard rate itself, upon which unionism is founded, discourages ambition and puts a premium upon mediocrity, if not absolute inefficiency.[3] Even where it is clearly understood that the standard wage fixed by collective bargaining is intended only as a minimum, and that the employer is at liberty to pay as much more to deserving individuals as he wishes, yet this minimum is often so high that the employer feels that many of the men whom he is constrained to hire are not really worth it; hence he must recoup himself by refusing any extra compensation to the better workmen in his employ. The unions are, in fact, quite generally opposed to any formal classification of those ranking as craftsmen according to competency, and the payment of different rates to different grades. The Carpenters, the Stone Cutters, the Painters, the Machinists, the Boilermakers, the Molders, and the Typographical Union are definitely on record against any such procedure.[4] Also it is claimed that, from whatever motives, many unions, or at any rate union men, establish a stint or standard day's work which holds the more eager and competent workmen in check and makes for uniform pay. So

[1] *Some Human Factors in Railroad Earning Power* (information pamphlet issued by the Pennsylvania System, May 4, 1920), p. 5.

[2] *Railroads as Defenders of Public Rights* (address before the American Mining Congress, October 13, 1922), p. 9. Cf. Loree, *Railroad Freight Transportation* (New York, 1922), p. 630.

[3] Cf. Eliot, *Future of Trade Unionism and Capitalism in a Democracy* (New York, 1910), pp. 24-31; Webb, *Industrial Democracy*, pp. 281-282.

[4] McCabe, *The Standard Rate in American Trade Unions* (*J. H. U. Studies*, 1912), pp. 94-106.

far as the machine-operating trades are concerned, this comes more strictly under a later heading; but it is even better illustrated in several handicrafts. The bricklayers in Great Britain have been so frequently accused of limiting the number of bricks that shall be laid in a day that some of the plaster has stuck and dried on.[1] A suspicious uniformity in output has been noted in the shipyards of the Clyde. "There is, no doubt, a considerable restriction, and if a particular workman is observed to be working at a rate which the other men consider excessive he is sure to be jeered at." [2]

In America the building trades again have the worst reputation. The Stone Cutters have discouraged undue speed by a rule that no member shall receive more than other men on the same job. Others are perhaps less explicit, but it is well understood that the "rusher" or "pace-setter" cannot hope to be popular. "The result is that in trades where speed can be compared men do about the same amount of work, and payment above the minimum is usually for general competency or workmanship of a higher grade, and not for speed." [3] Some unions, such as the Lathers and the Iron Molders, have established definite limits upon the amount of work to be done in a day. The mileage basis of payment on the railroads is of the same character. Finally, all unions are opposed to the bonus or premium plan and a large number object to piece-wages—both of them devices calculated to give the strongest stimulus to individual exertion. And where the piece-wage system has been installed after experience with time-wages, employers have frequently been surprised at the extraordinary quickening of the pace and the increase in output.[4] Antagonism to piece-wages has seemingly been more pronounced in America than in Great Britain; but, in general, it exists wherever the unions have found it difficult to control the fixing of the rates. The building trades

[1] Cf. *Report on Regulation and Restriction*, pp. 867-878; Pratt, *Trade Unionism and British Industry*, pp. 28-34.

[2] *Report*, p. 814.

[3] Cf. McCabe, *op. cit.*, p. 109. Cf. p. 108, *et. seq.*

[4] Cf. Macassey, *Labour Policy*, pp. 294-295; Schloss, *Industrial Remuneration* (3d ed., 1907), pp. 52-53.

and the metal-working trades are in the main unfriendly to the system in both countries; and the printers in America have steadily worked against it.[1] The clothing trades are for the most part opposed, although the Chicago locals of the Amalgamated Clothing Workers seem to have been largely reconciled to it.[2]

3. *Hours.*—The aspect of the reduction in the length of the working-day that strikes the employer most forcibly is its effect upon output. And for all their emphasis upon overstrain and the demonstrated economy of shorter hours, this effect is far from being absent from the thoughts and purposes of unionists in urging reduction. The whole matter of hours has been discussed in another place, and the skepticism of employers respecting the benefits or at least compensations they are to receive has been fully portrayed.[3] There are limits —not perhaps obvious or definite, but none the less inexorable—to the increase in speed and efficiency possible either in the short run or in the long run, through a shorter working-day; and when these limits are passed, a lower output per employee is inevitable. More shifts can be added, the machinery can be run at top speed, there may be fewer accidents, and the quality of the work may improve; but it is not reasonable to suppose that people can produce as much in eight hours as they can in eleven or twelve. If wages are not reduced correspondingly (and they usually are not) it seems clear where the loss is directly to fall. The five-day week enforced by the Painters in New York and Boston looks like deliberate restriction of output. Also, where hours are reduced and the overtime rate is fixed at time-and-a-half, it is charged that too strong an incentive is given to work slowly during the regular period, in the hope that overtime may be necessary and higher wages be obtained.[4]

4. *Machinery and Methods.*—The form of restriction of

[1] Cf. Lloyd, *Trade Unionism*, p. 92, *et seq.*; Barker, *Economic Statesmanship*, p. 528. Webb, *Industrial Democracy*, pp. 285-304; McCabe, *op. cit.*, chap. iv; Barnett, *The Printers*, chap. viii.

[2] Haas, *Shop Collective Bargaining* (Washington, 1922), p. 96, *et seq.*

[3] *Supra*, pp. 91-95.

[4] Loree, *Railroad Freight Transportation*, pp. 630-632.

output, however, which is most often criticized and the one which seems the most grievous interference with managerial functions is that which hampers the free introduction of new inventions and improved methods of work. Since the Industrial Revolution was essentially a process of this sort, and since the remarkable progress industry has made in the past century has depended largely upon maintaining this same dynamic condition, if the unions obstruct innovation they are striking at the very fountainhead of prosperity.

Out and out, undisguised opposition to machinery (which dates back to the frame-breaking period) is, in the opinion of Mr. and Mrs. Webb, a thing of the past in Great Britain. Instead, for the past half-century the efforts of the unions have been directed toward regulating the inevitable introduction of the new devices, and toward securing some share in the benefits for their members.[1] The Sheffield cutlery industry has often been cited as one that is still ultra-conservative and dominated by unions which have "tended to hinder improvements, to stereotype the trades, and to throw great difficulties in the way of any manufacturer who wished to make head against foreign competition."[2] Complaints of unreasonable conduct and conditions with respect to machinery have perhaps been most frequently lodged against the Boot and Shoe Operatives. In the hearings of the Royal Commission on Labor in 1892 and elsewhere, it was asserted that the attitude of the shoe workers was to belittle the value of the machines (largely American anyhow), to "exercise all their ingenuity in making machine work as expensive as hand labor."[3] The terms made by the Cotton Operatives, Boilermakers, Paper Makers, and Compositors are commonly spoken of as being more reasonable. It is not quite clear how far the smaller use made of coal-mining machinery in Great Britain is due to different conditions of mining, how far to less

[1] Webb, *Industrial Democracy,* chap. viii.

[2] Lloyd, *The Cutlery Trades* (London, 1913), pp. 286-287. The officers of the Cutlers' Union deny this charge (1922).

[3] *Shoe and Leather Record,* February 19, 1892, quoted in Webb, pp. 397-398; *Report of Royal Commission on Labour,* 1892, vol. xxxvi, *Parliamentary Papers,* part iv, p. cxxxi.

progressive management, and how far to the opposition of the miners' unions. Frank Hodges, former Secretary of the Miners' Federation, says that the employers have been unwilling to share the gains of the machine method; consequently the opposition. Certainly, the liberation which came over many British industries during the war-period when union restrictions were abrogated—the rapid introduction of machine tools, and the more minute division of labor—indicate that unionism may here again have been a prominent cause of retardation.[1]

In the United States there are several well-authenticated instances of union warfare with machinery, unsuccessful in the end, it is true, but not always more creditable on that account. The peaceful manner in which the printers accommodated themselves to the linotype in the nineties is often referred to as in shining contrast with the illiberal and short-sighted policy of some other unions. Some printers' locals tried to limit the daily output of the machines in the earlier period; and, in spite of the high grade of labor required for such work, there may still be some dispute as to the reasonableness of the union rule demanding a full term of apprenticeship for machine operators, with practice upon the machine only in the last year.[2] The Knights of St. Crispin fought shoe machinery operated by "green hands" in the early seventies, and lost.[3] The Cigarmakers, beginning about 1870, outlawed "the mold" by refusing to work with anyone using it; but when many local unions broke away they were compelled to surrender. They have since been antagonistic to other cigar-making machinery and deny the union label to

[1] Cf. Kirkaldy, *British Labour, 1914-21,* pp. xix, xxi. Professor Kirkaldy says that these regulations were swept aside "because it was known that they hampered output and our military success depended upon our producing the greatest possible amount of munitions of war. *Our commercial success will now equally depend on getting the utmost possible production out of our equipment.*"

[2] Barnett in Commons, *Trade Unionism and Labor Problems* (Boston, 1905), pp. 250-273; *Report on Regulation and Restriction of Output,* p. 35, *et seq.;* Tracy, *History of the Typographical Union,* pp. 484, 497, 577.

[3] McNeill, *Labor Movement,* pp. 194, 201-202; Andrews in Commons, *History,* vol. ii, p. 77.

any firm using it.[1] The Stone Cutters of the Chicago distric from 1895 onward took a stand against the planing machin and against the transportation of any stone shaped by it use from other centers; and the national union had a simila rule from 1900 to 1908.[2] Many locals of the Iron Molder Union have opposed the use of the molding machine eve since its introduction in the eighties. There was first a shor period of scoffing, then a demand that regular molders b placed in charge of the machines, even though much lowe paid labor could operate them successfully. The strikes c 1903-04 and again in 1906 were defeated by the still mor rapid introduction and improvement of the new device; an the National Founders' Association has since 1904 been quit able to defy the union.[3] Of the same restrictive characte were the "one-man-one-machine" rule of the Machinists the strike of the Western Federation of Miners (now th Mine, Mill and Smelter Workers) in 1913 against the use c the "one-man drill" in the Michigan Copper Country;[4] an the strike of the silk workers of Paterson and other citie in 1913 against the "three- and four-loom system."[5] Th Railroad Brotherhoods objected in 1877 to the running c "double-header" trains on the Pennsylvania; and a simila idea lies behind the "full-crew" demands of more recent date The Electric Railway Employees have presented all the pos sible difficulties and dangers of the "one-man car."[6] Th Painters have sometimes limited the size of the brushes t be used by their members. The Bricklayers for a long tim made dire predictions of disaster from the use of concret

[1] Andrews, *op. cit.*, vol. ii, pp. 71-74; Commons, *Labor and Administratio* pp. 127-128.

[2] Barnett, "The Stone Cutters and the Stone Planer," *Journal of Politic Economy,* vol. xxiv (1916), pp. 417-444.

[3] Stockton, *International Molders Union,* chap. xiii; Stecker, Margaret, "Th Founders, the Moulders, and the Molding Machine," *Quarterly Journal Economics,* vol. xxxii (1918), pp. 278-308.

[4] *Michigan Copper District Strike,* United States Bureau of Labor Statistic *Bulletin* no. 139 (Washington, 1914), p. 28. Committee of the Copper Countr Commercial Club, *Strike Investigation,* pp. 64-70.

[5] Haywood, "The Rip in the Silk Industry," *International Socialist Revie* May, 1913, p. 783. Cf. New York *Times,* May 16, 1919, p. 11.

[6] Report of General Executive Board in *Motorman and Conductor,* Febr ary, 1918, pp. 4-8.

for buildings and bridges;[1] and the Lathers Union in New York have penalized the use of re-enforced concrete mixed at the shop.[2] The Plumbers, according to the findings of the Lockwood Committee, had refused to handle the "anti-siphon trap" and to install plumbing and gas fixtures that came to the building partly put together. The Plasterers have prohibited the use of casts above a certain size which are manufactured at the shop, and have ordered the breaking of models after a single use.[3] In the same spirit, although a bit different in form, are the requirement of the Plasterers that three coats of plaster shall be put on;[4] and that of the printers that all advertisements exchanged between newspapers shall be reset in each plant.[5] Finally, there is a loud, prolonged, and practically unanimous opposition of the unions to the Taylor system of scientific management, to time-study, motion-study, the bonus system, and other so-called efficiency schemes. This was perhaps first voiced by the Machinists and the other metal trades in whose field the methods referred to were first and most largely applied; but the use of the Taylor plan in the Watertown Arsenal and in other government work called forth general condemnation from all the unions in the American Federation of Labor.[6]

3. THE DEFENSE

All this makes a bad showing enough. Little if anything can be said in defense of such practices from a purely economic standpoint. Indeed, the favorite form of defense on the part of labor leaders themselves seems to be that of a categorical denial. Certainly, the more enlightened among them realize the folly of trying to block the wheels of progress and of curtailing the product from which all parties in industry

[1] Cf. *Bricklayer, Mason, and Plasterer,* April, 1911.

[2] Joint Legislative Committee on Housing (Lockwood Committee), *Intermediate Report* (Albany, 1922), p. 57.

[3] *Ibid.,* pp. 57-58.

[4] New York *Times,* April 14, 1916. Cf. New York *Times,* May 11, 1922, p. 10.

[5] *Report on Regulation and Restriction of Output,* p. 79, *et seq.*

[6] Cf. *Proceedings of the American Federation of Labour,* 1913, p. 299; 1915, p. 106; 1916, pp. 92, 153, etc. Alfilas, "Scientific Shop Management," given in Commons, *Trade Unionism and Labor Problems* (2d series), p. 149, *et seq.;* Marot, *American Labor Unions,* chap. xviii; Hoxie, *Trade Unionism,* chap. xiii.

must derive their pay. Some of them enter a counter charge of inefficiency and bad management on the part of slumberous employers. George Hicks, General Secretary of the Amalgamated Union of Building Trade Workers (British) says that his union, "which is the union concerned in respect of bricklayers, has no rule restricting output; never did have such a rule; and on the contrary desires to uphold the highest possible standard of craftsmanship in the trade."[1] W. A. Appleton, Secretary of the General Federation of Labor, who of all British labor officials has devoted himself most largely to the business side of unionism, admits that unionists often overestimate the real importance of their skill, and condemns the delusion "which implies—by action, if not in actual words—that the inefficient can be equally rewarded without the efficient suffering." He declares that while "questions of fairness or unfairness in distribution are of profound importance . . . they are secondary in importance to the need for production."[2] Hon. J. R. Clynes, M. P., former chairman of the Parliamentary Labor Party and a leader in the General Workers Union, repudiates the fallacy "that if some men do little work there will be more for others to perform"; and lest some might accuse him of pleading the employer's cause he adds, "I assure you I attach the highest importance to a changed attitude of mind on the part of the workers in regard to this question of increased production, and I attach that importance to it in their interests."[3] Hon. J. H. Thomas, M. P., Secretary of the National Union of Railwaymen, is as emphatic in his condemnation of restriction of output by railway workers as he is of pilfering from railway cars and platforms.[4] And President Brownlie of the Amalgamated Engineers, in replying to an employers' representative at a conference on the cost of production in the engineering trades in 1921, denied that labor is responsible for the high cost of

[1] *Daily Herald* (London, January 27, 1923), p. 6.

[2] Appleton, *What We Want and Where We Are* (New York, 1922), pp. 115-116.

[3] Clynes, J. R., "Organized Labour in Relation to Industrial Development," *Labour and Industry* (Manchester, 1920), p. 251. Cf., also, pp. 247-265.

[4] Cf. *Railway Review* (London, July 7, 1922), pp. 3-4; July 21, 1922, p. 10

engineering products; and went on to point out that some of the workshops in this industry were running with equipment twenty to thirty years old. His explanation of the higher wages paid in the United States for skilled mechanics is "efficient organization and the adoption of modern appliances." [1]

Equally positive disclaimers and pronouncements have been made by American leaders. It was the statesmanship of the officers of the Typographical Union, together with the liberal attitude of employers, that brought about such a fortunate adjustment in the printing industry. The Glass Blowers were equally reasonable when the new machines threatened their trade. The officers of the Iron Molders early took a much more liberal view of the molding machine than did the rank and file and the local unions. The editor of the *Molders' Journal* declared in 1897, "It is the height of folly to attempt to prohibit or even to oppose the introduction of labor-saving machinery." [2] President Fox in 1899 urged that all members agree to work the machines at full capacity whenever satisfactory agreements as to wages could be obtained.[3] John Mitchell, assisted undoubtedly by Dr. Weyl, gave one of the fairest and clearest expositions of the economics of output to be found anywhere.[4] President John Lewis of the Mine Workers is emphatic in his claim that the mechanization of mining and the highest degree of efficiency and production, are the logical outgrowth and accompaniment of the miners' efforts for better standards.[5] Mr. Gompers on several occasions tried to place unionism in the proper light. Who could ask for a finer spirit of co-operation than that voiced in the following detached statements: "The trade union movement welcomes every thought and plan, every device and readjustment that will make expended effort more valuable to human-

[1] Amalgamated Engineers Union, *Monthly Journal and Report*, April, 1921, pp. 12-13.

[2] Iron Molders Journal, May, 1897, p. 222, quoted in Stockton, *International Molders' Union*, p. 190.

[3] Stockton, *op. cit.*, pp. 190-191.

[4] Mitchell, *Organized Labor*, chap. xxix.

[5] Lewis, *The Miners' Fight for American Standards* (Indianapolis, 1925), pp. 107-108.

ity." [1] "Trade unionism is a prime factor for the increase of production. . . . It rejects wholly the false doctrine of restriction of output as a means of helping the worker." [2]

But apparently labor leaders are somewhat limited in the degree of their influence upon the conduct of their constituents; and even their own declarations, when we read to the end of the chapter, are far from being unqualified. The truth is that the restriction of output is only one of the more disagreeable manifestations, partly instinctive and partly rational, of that deep-seated discontent which we know to exist among the workers. It is by no means confined to unionists; but is practiced, in so far as their weaker position allows, by unorganized workers also.[3] There is little use in condemning it outright, or in trying to teach economics and business practice to the workers, without first hunting out and trying to remove the causes of that rush of blood to the head which makes them deaf and blind to all entreaties. The facts of psychology are none the less facts; and our analysis of the grievances of labor has shown ample grounds and provocation.

4. MOTIVES AND PALLIATIONS

The motives which prompt the workers to oppose new methods or to demand unreasonable terms for their use, and otherwise to encroach upon the traditional field of management, are various, complex, and interrelated. But there are perhaps some half-dozen that can be distinguished and which deserve attention.

1. *Socialistic Ideas.*—Several short-memoried critics of British unionism have tried to establish a connection between restrictive practices and the spread of socialism; and Mr. and Mrs. Webb lend the weight of their authority to the view that there is a background of socialist doctrine for the claim

[1] Samuel Gompers, "The Workers and Production," *Annals of the American Academy of Political and Social Science*, vol. xci (1920), p. x.

[2] Gompers, "Union Labor and the Enlightened Employer," *Industrial Management*, vol. lxi (1921), p. 239.

[3] Cf. Williams, Whiting, *What's on the Worker's Mind?* (New York, 1920) and Watkins, *Journal of Political Economy*, vol. xxviii, p. 840, *et seq.*

of the workers to a large share, if not all, of the gains due to new machinery.[1] Very likely a diffused socialism may be responsible for some of the bad economics that one encounters in union literature—the frequent misconception of the nature and amount of business profits and of the true basis of wages. Socialist agitators do help to fan the discontent of labor; but their chief stock in trade is, after all, the existence of real evils. We may doubt the extent to which a man's political views or social philosophy, any more than his church connections, influence his daily working life and conduct. Certainly, the policy of restriction of output antedates the "new unionism" of the nineties, and any general acceptance of either socialism or syndicalism by British workers. Merely on the basis of making hay while the sun shines and getting as good a bargain as possible, the printers, the Iron Molders, and other unions in the United States have asked for a share in the benefits of machinery and the employer's prosperity. The building trades have not been regarded as the most radical in their political ideas; but they have doubtless been the worst offenders in the matter of restriction of output.

2. *Retaliation.*—The proper use of the term "ca' canny" is to describe that form of restriction of output which is prompted by retaliation against an employer for unfair treatment. It was apparently first advocated as a concerted union policy about 1896 in Great Britain by J. Havelock Wilson, Tom Mann, Ben Tillett, and other leaders of the Dock Workers. The plan was that, instead of going out on strike in protest against a wage-reduction or insufficient pay, the workers should hold on to their jobs, but deliver only such a modicum of labor as they considered they were being paid for. The loss would thus fall entirely upon the employer, until, it was hoped, he might see the error of his ways and "come across." Probably to-day the scheme would be called a mild form of "sabotage." But its adoption at the time by several locals of the dockers excited grave concern throughout the country,

[1] Webb, *Industrial Democracy*, pp. 402-403. Cf. Pratt, *Trade Unionism and British Industry*, pp. 22, *et seq.*, 205, *et seq.*; Collison, *Apostle of Free Labour* (London, 1913), pp. 88-89; Packer, *What's Wrong with Unionism?* (Melbourne, 1916), p. 23 and chap. xv

and went far to alienate that public sympathy which had been a large factor in their earlier success. It brought all unions under so much suspicion that many of the older organizations saw fit to remove from their books all traces of formal restrictions upon output.[1]

3. *Profiteering.*—The spirit of commercialism and the desire for monopoly power and profits have been so rampant in modern economic life that it would be strange indeed if the organizations of labor had entirely escaped their influence. The operations of the coal barons, of the "rings" and combinations in control of building supplies and materials, and of all the other trusts have not only furnished added cause for discontent but striking examples for imitation. It would be blindness itself not to see a connection between the spirit which animates management and big business in general and the grasping, profiteering tactics sometimes followed by labor. If others are taking advantage of the easy-going, long-suffering consumer "we want our share." Not a little of the slacking which occurred in shipbuilding and other war industries in the United States arose from the pernicious cost-plus contracts, and was connived at by profit-seeking employers. The abrogation of union restrictions under the Munitions Act in Great Britain was distinctly on the understanding that firms "supplying the State with munitions of war should not be entitled thereby to make undue profits out of them."[2] The lesson of restriction has been well learned, and it is dangerous under such conditions for a labor union to have too great power and control.

4. *Favoritism and the Blacklist.*—Union annals supply sufficient evidence of discrimination against their members and officers, and of favoritism by industrial managers in the granting of employment and making promotions, so that it is only natural that they should seek to obtain safeguards and some measure of control. The grievance committee before which can be brought the cases of men claiming unfair discharge,

[1] Cf. *Report on Regulation and Restriction of Output,* pp. 725-736.

[2] Mr. Asquith's speech March 20, 1915, given in Bloomfield, *Management and Men* (New York, 1919), pp. 282-283. Cf., also, assurances given by Lloyd George in conference with officials of the A. S. E., March 25, 1915. (*Ibid.,* p. 276.)

the waiting-list, and the seniority or priority rule are their answers to unfair, unscientific employment methods and the abuse of power by an autocratic manager or foreman. It was, for example, the refusal of some mine managers in the Illinois coal fields to employ men who had gone out on strike several years before (so that these men either had to move out or travel several miles to their work) that led the Mine Workers to argue at the conference of 1902 for the waiting-list.[1] The printers felt that they had frequently been victimized by incompetent and overbearing foremen, and hence established the priority rule. So of the other cases given above. The chances of promotion in modern large-scale industry may not be very great; but it helps to have an organization behind one to guarantee some degree of security in tenure and some measure of fairness and regularity in advancement. So long as something approaching the spoils system prevails in private business, and until this ingrained distrust on the part of labor has been dispelled, we may look for some "unreasonableness" from the unions with respect to employment relations.

5. *The Common Rule.*—Spokesmen for the unions almost always contend that the union scale is to be regarded as only a minimum, and that if individual members are able by the method of individual bargaining still open to them to obtain more, or if employers are willing, for the sake of keeping their best men, to pay more, no objection will be raised. Certainly, the unions cannot be held wholly responsible for the degree of uniformity that exists in the rates of wages now paid to men of different grades of proficiency. Some of it is rather due to that impersonal type of industrial management which, like some of our common schools, deals in large numbers and fails to make any nice discriminations in the matter of ranks and rewards. Furthermore, there is commonly a chance for the superior workman in any trade to secure more regular employment and to be assigned to a more agreeable branch of the work, even though he does not always receive higher pay.

[1] *Report on Regulation and Restriction of Output*, p. 458, *et seq.*

However, there are good reasons in the minds of union men why too wide variations between individual members should not be encouraged. For one thing, the union is supposedly a democratic organization with equal dues and equal benefits. The conditions of admission establish a presumption that the members are fairly equal in skill and ability. The minimum wage, whether enforced by law or by union rule itself, has the effect of weeding out or preventing the entrance of incompetents unable to earn it. All members are probably getting a higher wage through collective bargaining than any considerable number of them could have obtained without the help of organization. And proper safeguards must be maintained against a return to the method of individual bargaining. A rule that has too many exceptions ceases to be a rule at all and cannot be enforced. If exceptional men are allowed to forge ahead and if the employer takes their output as the standard of performance for all, the increase in exertion required really amounts to a reduction of wages.

The health and unemployment phases of this driving process will be dealt with in a moment. But the fear that standards will be undermined is a chief reason why a restraining hand is laid upon the overly eager workman, and why so many unions object to piece-wages and the bonus system. At first glance it might seem that a union could just as easily exert its bargaining power and protect its members in fixing piece-rates as in setting time-rates. The two are fundamentally the same and reducible to a common denominator. The Cotton Operatives and the Boot and Shoe Operatives in Great Britain have indeed found in piece-rates their best protection. But in some trades the output is so varied and complex that it is difficult to establish fair rates, or for union officers to follow all the intricacies of the process; and union as well as non-union experience teaches that many employers are jealous of high earnings on the part of their workmen that they are given to assuming that some mistake must have been made in the rates originally set, and that they frequently resort to tinkering or "nibbling" at the rates for the sake of

speeding up the pace and cutting down the wage-bill.[1] The whole system opens the door to the "chaser" or "pace-setter." "Away with it!"

6. *Overstrain.*—Concern for the health of the worker is an important motive or at least a defense for some forms of restriction. The unions have other reasons why they seek a shorter working-day; but this is always the favorite appeal for popular approval or legislative action. Shorter hours, especially for women and children, bring relief from the nervous tension and monotony of labor, decrease the likelihood of accidents and of disease, and afford opportunities for culture and a normal family life. The health argument is second in importance only to the principle of the common rule as an objection to piece-wages and overspeeding in any form. On this ground there should be a limit to the number of looms or other machines which one person should tend; there should be a full quota of stokers on the *Aquitania,* and a full crew on railway trains. The stop-watch and efficiency expert are to be looked upon as only the modern representatives of the slave-driver with his lash. The priority rule in the printing trade has been praised for the protection which it throws about older and slower men; and those shops where restrictions have been placed upon the output of the linotype are found to have a much higher percentage of men above fifty.[2]

7. *Vested Interests and Unemployment.*—Finally, and probably most important of all as an incentive to restriction, are the fear of unemployment and the belief that men who are engaged in an industry have some vested rights that ought to be respected—that they and their skill and the fruits of their experience should not be ruthlessly cast aside to make way for new methods and green hands. Mr. and Mrs. Webb seem to minimize the influence which this "doctrine of vested interests" has upon the attitude of labor leaders to-day.[3] But

[1] Cf. Schloss, *Industrial Remuneration* (1907 ed.), pp. 70-80; McCabe, *Standard Rate,* pp. 213-219; Macassey, *Labour Policy,* pp. 298-299.

[2] Cf. Schloss, *op. cit.,* p. 60, *et seq.;* McCabe, *op. cit.,* p. 219, *et. seq.;* Commons, *Labor and Administration,* p. 133; *Report on Restriction of Output,* pp. 38, 48, *et seq.,* 60, *et seq.*

[3] *Industrial Democracy,* p. 572.

rops out so often and in so many different phases of union ctivity and policy that it is difficult to believe that it is really on the wane. The view, for example, that wages should be a kind of fixed charge or first claim upon industry is rooted in this belief. Likewise, the idea that men out on strike still have a certain right above all others to the jobs they have left—the union commandment, "Thou shalt not steal thy neighbor's job." And the same conception inherited from the old guild system appears very markedly in the efforts made to avoid unemployment and to prevent a lowering of working conditions.

Some part of the opposition to new methods may, of course, be set down to mere inertia, especially that of older workers, who think the ways to which they are accustomed are necessarily the best and who dislike the trouble of changing. Craft-pride is also a factor in the resentment toward the attempts of inventors and business executives to find and introduce substitutes for human skill and workmanship. It also offers ground for the objection to speeding up, because that usually means that the quality of the work must suffer. Undoubtedly, such emotions are stronger and more common in an old industrial country like England than they are in America, and are chiefly to be found in those handicraft or semi-handicraft trades that have persisted into the machine era. But there is among all workers everywhere a desire for greater security of life, greater assurance that the expectations of youth are not to be disappointed, better protection against the terrors of unemployment or of a deterioration brought about by industrial changes. And if industry itself or the state does not provide such guarantees, the workers intend to use such methods as lie within their reach to obtain them. Professor Hobson states that:

> Whatever importance may be attached to other motives for slow work, the natural reluctance to exert oneself, the fear of a cut in piece-rates, or the objection to high profits based on low costs of production, *the dominant motive is the fear of unemployment for oneself or one's mates.*[1]

[1] Hobson, J. A., *Economics of Unemployment* (London, 1922), p. 16.

The workers are not very readily convinced by the clever syllogism of the economists that increased production brings lower prices, lower prices will bring increased demand, and increased demand for the goods will bring better employment and higher wages. They may seem stupid and shortsighted, but they have heard somewhere the old adage about "a bird in the hand." This quantitative notion about the amount of work to be done—the "lump of labor" idea—is what prompts both union and non-union men under a time-wage system to "nurse the job along." "Why hurry, when we do not know what is in store for us after this job is finished?" The desire to decrease the number of future competitors and the danger of unemployment, are leading reasons for enforcing apprenticeship requirements and for otherwise striving to limit the entrance to the trade. It seems natural for any group that has attained a certain standing or position to insist that all fresh candidates prove their title by submitting to the same ordeal. The seniority rule embodies the same vested right. The belief that a shorter working-day tends to lengthen the probable season of employment, or to make room for brothers already on the streets, has long been a favorite reason given within union ranks themselves for demanding it. To the average union man it appears like good arithmetic to suppose that, if a given set of men perform less labor in a given period by working shorter hours, there must necessarily be either a longer period of work for these same men, or work for a larger number of men during the same period. The demand for short-time during a period of depression and the penalty put upon overtime, are upon the same basis. A man who works at an inordinate pace or who puts in extra time except under the pressure of dire necessity is looked upon as "hogging" the work and probably keeping another man out of a job.[1]

The fear of displacement is the root cause for objection to new machinery; and, when outright resistance proves hopeless, several methods of "painless" readjustment are defended

[1] Cf. Smelser, *Unemployment and American Trade Unions* (*J. H. U. Studies*, 1919), pp. 50-56; *A. F. of L. History*, pp. 215-219.

upon the ground of vested interests. Most natural of thes is the claim to the first chance to operate the new device whether it requires the same degree of skill or not, and i possible at the old scale of wages. Limitations upon the ful output of the machine or upon the number to be tended b one man (perhaps the number of men required for eac machine), may be resorted to in the hope of delaying its ful displacing effect. Often an effort is made to secure a shar in the benefits of the invention and to make places for thos who might otherwise be thrown out of employment, by takin this occasion to demand a shorter work-day. The printer sought to bring about the eight-hour day as an offset to th linotype; and the Glass Blowers urged the two-shift syster upon their employers in the nineties to absorb those mem bers displaced by the tank-furnace; and later on propose three shifts in order to counteract the effect of the Owen machine.[1]

Last of all, it is distrust of sudden changes under man agerial fiat and the fear that they will undermine all stand ards and the very basis of organization itself that constitute the fundamental reason for labor opposition to scientific man agement. Professor Hoxie's analysis cannot be gainsaid. Th dominant type of unionism in the United States, as repre sented in the Federation of Labor, is founded upon certai trade lines which it assumes to be relatively fixed and perma nent. It can operate successfully "only through the main tenance of a fixed industrial situation and conditions ex tending over a definite period of time, or through the definit predetermined regulation and adjustment of industria change." [2] Scientific management, on the contrary, is scien tific at least in this respect, that it will let nothing rest a final, and believes in throwing everything into the testin furnace. It puts in question all those cherished method which the workers have thought they knew beyond all po sibility of further instruction from outsiders, and threaten

[1] Voll, "Collective Bargaining in the Glass Bottle Industry," *Annals of t American Academy of Political and Social Science*, vol. xc (July, 1920), p. 8 *et seq.*

[2] Hoxie, *Trade Unionism*, pp. 341-342.

an entire regrouping if not the utter disappearance of trades. That inevitably excites uncertainty, dread, hatred, because it violates the idea of a property right in skill and organization.

5. CONCLUSION

This analysis of the motives for restriction of output doubtless reveals, what we already knew, that good and evil, truth and error, are inextricably mingled in the labor world. Many of the objects sought through restriction, notably the protection of the worker's health and the increase of leisure, are worthy of commendation; and the methods taken to achieve them, in the absence of better ones and when not carried to extremes, may likewise meet approval. If we recognize that in many cases this is war and not love—that capitalism has certain overreaching tendencies—much that would otherwise seem vicious will be understood. Loyalty to persecuted members, dislike of favoritism, and emphasis upon length of service as a claim to recognition are obviously not without reason, even though carried too far. With due care in hiring men in the first place, the seniority rule may prove better than no rule at all. Something also can be said for the doctrine of vested interests, of which the seniority rule is largely an application, and for the desire to obtain greater security from unemployment than modern industry naturally offers. Professor Alfred Marshall follows Adam Smith in recognizing "personal capital" in ability and habits.[1] John Stuart Mill realized that loss often falls upon certain groups because of new processes that bring general benefit, and argued the possibility of a legislative indemnity.[2] Perhaps that was the first anticipation of unemployment insurance.

The "lump of labor" idea is regarded as a fallacy by all economists. Wages are paid out of product, and the amount of the product obviously fixes the maximum reward that can be paid to any factor, no matter how great its bargaining power. So many enterprises will not be undertaken at all if costs are high, so that restriction of output or the demand for

[1] Marshall, *Principles of Economics* (London, 1898), p. 147.
[2] Mill, *Principles of Political Economy*, vol. i, p. 137.

a monopoly wage may easily strangle them in the process of being born. Restriction is, in any case, a particularly weak method of dealing with the evil of unemployment, because it is least practicable just when it is most needed. The power of the union to enforce restrictions is lowest and the authority and independence of the employer greatest, when the most men are out of work. Those who have jobs at such times are fortunate if, by faithful and efficient performance of duty, they can hold them down, to say nothing of making places for others.

The real problem, however, is not how far restriction of output is tolerable or defensible, but how to remove its causes and to bring about the whole-hearted co-operation of labor with enterprise in the process of production. That, to be sure, is the crux of the whole labor problem; but it has specific applications here. No careful student, with the possible exception of Mr. Fagan, has any hope from a return to the system of the autocratic manager, even though he may be converted and awakened to the limits of his power over human nature and psychology. If the non-union man is just as guilty, within his more limited powers, of restrictive tactics, the abolition of unions, if it were possible, would not bring redress. The demoralizing effects of warfare, in which each party strives by craft and concealment to protect itself and, if possible, to take advantage of the other, having now become fully apparent, it is high time to seek alternative methods.

Much has been accomplished and much more may be expected from those plans for the regularization of employment and for giving a greater sense of security, about which Dr. Feldman and others have written. Nothing could be more logical than to suppose that, if the fear of unemployment is a chief motive for restriction of output, then the best cure for it is to abolish unemployment.

Only one general method, however, offers an adequate solution that is at all consistent with our present mode of production; and that is our old friend, collective bargaining, dressed up and given full sway over everything. If we can assume that the majority of men, whether workers or capital-

ists, are honest and fair-minded, that the best way, as ex-President Roosevelt declared when he was Police Commissioner of New York, to make men trustworthy is actually to trust them, then it appears that the only way to dispel the suspicion and antagonism which is the root cause of restriction is to develop—gradually it may be, but eventually—a comprehensive system of mutual consultation and agreement. This would not be limited, as so often hitherto, to one or two matters like wages and hours (chiefly centering on matters of distribution); but should hold nothing back that ought to be made plain and in which both parties are interested. All the cards should be placed on the table: questions of personnel, contemplated changes in method, new machinery that may be introduced, the condition of the industry whether profitable or not, union rules, the health and welfare of the employees—everything affecting the future policy of the concern.

There is much to recommend such a plan. It is noteworthy that those British unions which are least often accused of any form of restriction and which, indeed, like the Cotton Operatives, have been quite insistent that factory managers keep their equipment up to date and have even welcomed the piece-wage system, are the very ones which are most fully admitted to the counsels of their employers and with which collective bargaining is most firmly established.[1] Consultation and mutual understanding were the secret of the prompt and peaceful adjustments to new machinery, to which we have several times referred, in the printing industry here and abroad, and in the stove and glass-bottle industries of the United States. Little fault could be found with the co-operation extended by labor in the War both in Great Britain and on this side, whenever it was granted proper representation upon commissions, boards of control, and other governmental and private agencies for furthering production. The significant condition which Mr. Gompers and other representatives of labor have laid down in the statements against restriction of output from which quotations have been made

[1] Cf. Webb, *Industrial Democracy*, p. 408, *et seq.*

is that labor should have knowledge before the fact and be given a voice in working out new methods and new standards. They promise to be reasonable if they are given a square deal. That would certainly be a logical deduction from the wages declaration of the American Federation in 1925. President Sidney Hillman of the Amalgamated Clothing Workers has also declared that it is not the function of a labor union to protect its members from work; and his organization, as already suggested, is an instance of what can be accomplished toward co-operation in production through a fair and comprehensive system of collective bargaining.[1] The more liberal and conciliatory attitude which the late Mr. Gantt, Mr. Morris Cooke, Mr. Hoover, R. B. Wolf, and other leaders of the efficiency movement have taken, and the conferences which the leaders of American labor have deigned to hold with these men, give some hope that all that is valuable in scientific management may be submitted to collective agreement and peacefully incorporated into our industrial organism.[2] Under the plan of mutual consultation, whatever may be the specific form which it takes, grievances tend to evaporate; more emphasis comes to be placed upon those matters which employer and employee have in common and less upon those in which their interests are opposed. The manager ceases to be a boss and becomes a leader.

[1] Cf. Leiserson, "Collective Bargaining and Its Effects on Production," *Annals of the American Academy,* vol. xci (September, 1920), pp. 40-49.

[2] Cf. Cooke, Shelton, Miller, and others in *Annals of the American Academy of Political and Social Science,* vol. xci (September, 1920); Drury, *Scientific Management* (*Columbia University Studies,* 1915), chap. vii; Weyforth, *Organizability of Labor* (*J. H. U. Studies,* 1917), pp. 226, *et seq.,* 237-240.

CHAPTER XIV

BENEFIT FEATURES

1. EXTENT AND FORMS

Of the principal policies of labor unions, the one that seems least likely to excite controversy is that which provides relief for their members in time of trouble; and until the repeal of the Combination Acts in England in 1824 this was regarded as the only object for which workmen could legitimately associate themselves together. Small "friendly societies" were common in England in the eighteenth century, and then probably often served, as they did to a greater extent with the advance of the Industrial Revolution, as a cloak for much deeper and more "devilish" designs and activities on the part of the workers. The mighty Amalgamated Society of Engineers, which from 1851 to 1889 and beyond did so much to set a "new model" for trade unionism in England, had its beginnings in such local benefit clubs; and its leaders and the other members of the famous Junta made the payment of different forms of relief or insurance an important feature of their program from the start.[1] And although the "new unionists" of succeeding decades have cast aspersions upon such provisions and although the government has tardily entered the same field, yet we see no disposition upon the part of the old and well-established British unions to abandon the system, or to relax their efforts in this direction. To be sure, there are several of the very largest unions like the Miners and the General Workers that offer their members little more than strike-pay. But the resources of the movement are sufficiently shown by the fact that in a year of stress like 1921 the 621 trade unions registered as friendly societies, comprising about

[1] Webb, *History of Trade Unionism* (1920), pp. 19, 24, 204-232.

five and one-half million members, expended an aggregate of nearly £13,000,000, or more than £2 7*s* per capita. The corresponding figure for 1913, when unemployment did not make such a drain on the funds, was £2,228,000 or about 14*s* per capita. Excluding dispute-benefit, which took about three and one-half millions, the distribution for 1921 was as follows: [1]

Unemployment,[2] traveling, emigration	£7,318,000
Sick and accident	980,000
Funeral	323,000
Superannuation, etc.	861,000
Total	£9,482,000

The Amalgamated Engineering Union alone, which in 1920 succeeded to the funds and the responsibilities of the old Amalgamated Society of Engineers, paid out over £4,000,000 in benefits to its approximately 360,000 members during the first two years of its existence, or more than £5 a member per year.[3]

There are, unfortunately, no strictly comparable figures for the United States. The earlier unions here, as in England, were more than half friendly societies. As a more militant type of unionism arose and as the spirit of nationalism developed, particularly after 1850, insurance funds maintained by local unions often came to be regarded by the leaders as obstacles rather than aids to complete organization. Not until after 1880, when the Cigarmakers, and to a less extent the Molders, demonstrated that benefit features administered by national bodies have a trade value, and when a "high-dues" policy was found not to be necessarily suicidal, did the leaders change their attitude and begin to take serious thought for the

[1] Chief Registrar of Friendly Societies, *Statistical Summary Showing the Operations of Registered Trade Unions for the Years 1912-1921*, cited in *Ministry of Labor Gazette*, February, 1923, p. 43.

[2] Excluding, of course, state unemployment payments made through the unions. These were only a slightly larger sum (£7,832,000).

[3] Unemployment benefits accounted for more than half of this expenditure and finally became such a drain that in May, 1922, the union had to suspend this form of benefit. (Amalgamated Engineering Union, *Journal* (London), November, 1922, pp. 7-8, 45-46.)

morrow. Perhaps chiefly because of the migratory tendencies of our population and the relative instability of our industrial life, the growth of trade union insurance has been much slower here than in England; and, when our higher wage-scale is considered, the benefits paid are much more modest. But with the growth of the national unions have come more adequate and more ambitious plans and proposals, so that substantially all known forms of benefit are now illustrated in the system of one or more important organizations.[1]

The data regarding benefits offered each year by the American Federation of Labor are obviously very incomplete. They pretend to cover only the expenditures of national or international unions, whereas, with the notable exception of death and funeral benefits, such payments have remained largely in the hands of local unions. Even where national provision is made it is often supplemented by local funds, so that the aggregate expended by locals which cannot be arrived at is presumably much larger than the sum spent by nationals. Even here the number of unions reported upon varies widely from year to year and significant omissions often occur. In 1914, when the number affiliated was 110, there were seventy-three national unions reported as paying one or more forms of benefit. The total for the convention year 1913-14, excluding strike-pay, was over $3,500,000, or about $3.20 per capita for the membership of unions so reporting.[2] In 1922 there were but thirty-five nationals given with total payments of over $5,000,000, or $4.75 per capita of their membership;[3] and in 1925, some twenty-four unions, with a total of about $4,200,000 in payments.[4]

Such figures are not a good basis for deductive treatment. Death benefits to members, with a small item for members' wives, constituted, for the years cited, from one-half to over two-thirds of the total; sick benefits accounted for about one-

[1] Cf. Kennedy, *Beneficiary Features of American Trade Unions* (*J. H. U. Studies*, 1908), pp. 9-18.

[2] Report of the Secretary in *Proceedings*, 1914, pp. 24-30.

[3] *Proceedings*, 1922, pp. 27-29.

[4] *Proceedings*, 1925, p. 19. Over one-fourth of this was made up of the expenditures of the Typographical Union for pensions and the Printers' Home.

fourth of the total for each year given; while unemployment and traveling benefits, paid chiefly by the Cigarmakers, the Diamond Workers, the Molders, and the Patternmakers, made a poor third, reaching, however, about 12 per cent of the total in 1921-22. Superannuation benefits or pensions, paid chiefly by the Bricklayers and the printers, are so unusual as to create considerable confusion by being inserted in columns where they do not belong or being put in the footnotes.

The individual unions with well-developed systems of benefits most worthy of study are the Carpenters, the Cigarmakers, the Molders, and the Typographical Union within the American Federation, and the Conductors and Locomotive Engineers outside.

The Carpenters have a funeral benefit of from $25 to $75 upon the death of a member's wife, one for members of from $50 to $300, and a disability benefit of from $50 to $400. The average annual cost for maintaining these during recent years has been about half a million dollars—perhaps $1.50 per member. It is estimated that sick benefits paid by local unions during the last quarter of a century have equaled $2,700,000. And a Home and Pension Fund is now being built up for aged and infirm members.[1]

The Cigarmakers who, as already stated, were pioneers in the field of national benefits, now provide death and total-disability benefits ranging from $75 to $550, a sick benefit of $7 per week, loans to traveling members, and an out-of-work benefit which since August, 1920, has been given the form of remission of dues rather than cash payments. The total expenditure for these purposes for the year 1922, excluding loans and strike pay, was $512,000, or about $16 per capita.[2]

The Molders have a death and total-disability benefit graded from $100 to $200 according to length of membership; they have had a sick benefit since 1896, which now amounts to $7 per week plus dues, payable for thirteen weeks in a given year; and an out-of-work benefit, established in 1897, which consists of the remission of dues through the issue of

[1] *The Carpenter* (Indianapolis), vol. xliv (1924), pp. 29-31.
[2] *Cigarmakers' Journal* (Chicago) April 15, 1923, pp. 10-11.

out-of-work stamps for a maximum of thirteen weeks in any year. For the years 1921 and 1922 a special dispensation was given to unemployed members removing the time-limit. The death and disability benefit in recent years has called for somewhat over $70,000 per year; the sick benefits for 1922 equaled $217,361.40; and the loss of revenue through out-of-work stamps during the stressful years of 1921 and 1922 was over $300,000 per year.[1] With a normal membership of about 50,000 this means a per-capita expenditure for these three forms of benefit of about $12.

The Typographical Union, with a membership of about 70,000 in 1925, spent nearly two and a quarter million dollars for benefits. Omitting here the strike expenditure ($675,579) of that fiscal year, other benefits amounted to somewhat over a million and a half. The mortuary or death benefit called for $373,000, the Union Printers' Home at Colorado Springs for over $250,000, and the pension system, established in 1908, for $923,000—a per-capita expenditure for the three of slightly over $20.[2]

The figures available for the Brotherhoods are less satisfactory. But we know that the Locomotive Engineers who in 1923 had a membership of about 85,000, and who require each member that can qualify to take out a policy of at least $1,500 in their Insurance Association, have, since that department was established in 1868, paid out approximately $50,000,000 in death and disability claims. They maintain also voluntary sick and indemnity funds, a pension system, membership in which since 1921 is compulsory upon new members, and have recently been agitating for a pension to members' widows.[3] The Conductors, who have had an insurance department since 1882 and have made membership in it compulsory since 1891,

[1] *International Molders' Journal* (Cincinnati) February, 1923, pp. 94-95; Stockton, *International Molders Union*, chap. vii. Total out-of-work stamps for the two years equaled $679,804.80, the larger sum being for 1921.

[2] Report of the Secretary-Treasurer given in *Supplement* to the *Typographical Journal* (Indianapolis), August, 1925, pp. 54, *et seq.*, 77, 82. The mounting cost of the pension system is a cause for some concern to the officers. It provides a payment of $8 per week.

[3] *Locomotive Engineers' Journal* (Des Moines), vol. lvi (1922), pp. 69, 144-148; May, 1923, p. 412.

have paid out more than $30,000,000 in death and disability benefits.[1] They have also smaller voluntary departments for accident insurance and for pensions.

What may prove to be a significant and far-reaching development in the line of trade union insurance is the step taken at a conference of national and international unions in July, 1925, toward the formation of a "Union Labor Life Insurance Company," to be owned, as its name implies, by the unions, particularly those affiliated with the American Federation, and to sell to its constituents on a mutual but also on an actuarial basis various types of insurance, both individual and group.[2]

2. ADVANTAGES

But it may well be asked why a labor union whose primary purpose is collective bargaining should concern itself with all these things. Strike-pay and perhaps out-of-work pay—what are known abroad as "trade" benefits—may obviously fall within its scope. Certainly in the first and probably in the second, the union is the only organization or institution that will provide for such needs. Why, however, should it enter into those more purely private affairs, such as sickness, accident, old age, and death, which the workers have in common with all humanity? Are not these better cared for by other agencies? Does not the insurance business distract the attention of officers and members from their chief task?

Thus, the benefit features of trade unions, also, have not escaped criticism both friendly and unfriendly. The failure to work out any proper actuarial basis, the frequent neglect of any strict medical tests for admission, the inadequate reserves maintained, and the disposition not to hold even these sacred from more pressing immediate demands—all this is horrifying to the soul of the insurance expert. A certain Mr. Tucker, British actuary, as early as 1867 confidently predicted the speedy bankruptcy of the insurance plan of the Amalga-

[1] *Railway Conductor* (Cedar Rapids) June, 1923, pp. 343-344.

[2] Cf. *supra*, p. 138; *Proceedings of the American Federation of Labor*, 1925, pp. 34, 381.

mated Carpenters.[1] And the firm of actuaries to whom the printers in this country in 1921 submitted their mortuary and pension systems for examination reported that "the continuance of the present scale of the pension fund would be unsound and unfair to the younger members of the union." [2] It is often recommended that both for the sake of greater soundness, and to protect them from suits for damages, the insurance funds proper of the unions be segregated from trade funds.[3] Ex-President Eliot thinks a grave injustice is done in not offering a "surrender value" when an old member drops out of the union.[4] The management expenses of union funds are frequently said to be excessive and to absorb too large a percentage of the dues or premiums.[5] John Burns, Tom Mann, and other radical leaders of the "new unionism" of the eighties in England, revolted against what they considered the smug self-complacency and conservatism into which older unions had fallen because of their emphasis upon insurance and large accumulated funds.[6] And the Railroad Brotherhoods in America have only recently been trying to live down a similar charge.[7]

Whatever secondary advantages we may discover for trade union insurance, the need of the individual workers for some such protection must be the first line of defense. It is not something that has been trumped up as "selling talk" by union organizers eager to secure ampler funds for trade activities. The ills above enumerated are, indeed, common to man, but they fall with particular hardship upon those with little financial backing. The burden of sickness and accident is often the greatest when income is entirely cut off; and the

[1] Compte de Paris, *Trade Unions of England* (1869), p. 41.

[2] Haight and Marvin, "Report of the International Typographical Union Mortality Investigation, 1910 to 1921," *Supplement to the Typographical Journal,* August, 1922, pp. 198-212, esp. 205.

[3] Royal Commission on Trade Disputes and Trade Combinations, *Report* (London, 1906), p. 16; Lloyd, *Trade Unionism,* pp. 131-132.

[4] Eliot, *Future of Trade Unionism,* pp. 52-53.

[5] Cf. Packer, *What's Wrong with Unionism?,* chap. xiv; *General Council's Report to the Trades Union Congress* (London, 1922), pp. 8-9.

[6] Webb, *History,* pp. 383-386.

[7] Marot, *American Labor Unions,* p. 35.

help obtainable from other sources is either tainted with charity or seems too expensive. Before the days of workmen's compensation, accident insurance was practically beyond the reach of men in dangerous trades like mining and railroading. The longing for an assured income in old age and the desire for a decent burial are important features in a civilized standard of living. If the union can in some measure persuade its members to submit to a process of collective saving, and can thus overcome the limitations of individual efforts, it is a help indeed. It has been a matter of pride with the unions as with the fraternal orders that their members do not have to apply for charitable help. In fact, we can the better understand some of the administrative defects and irregularities observable in union insurance if we recognize that the idea of benevolence and brotherhood has never been wholly absent from it.[1]

When the desire of the individual for such protection is recognized it follows that there are advantages to the organization itself that offers it, which go far to justify all expense and trouble involved. The greater the number of phases of the worker's life which the union serves, the more secure, presumably, will be its hold upon his allegiance and the more effective its control of the trade. It is, indeed, a matter for nice adjustment to determine just what scale of dues and expenditures a given constituency will sanction or tolerate—just where the effect may be to repel rather than to attract new members, for, as in all insurance systems, it is important to keep the base broad and the risks well distributed. Nothing must be done to discourage younger men from joining and helping to keep down the age-level. Probably most unions are wise, for the present at least, in avoiding those forms of benefit, such as pensions, which require the most careful actuarial computations and which are chiefly attractive to men well advanced in years.

Once inside the fold and once having acquired claims to

[1] Cf. Smelser, *Unemployment and American Trade Unions* (*J. H. U. Studies*, 1919), pp. 149-150.

benefits of one kind or another, men will not readily allow their membership to lapse, nor commit infractions of discipline that might lead to suspension or expulsion. To offer a surrender value under such conditions would not only largely destroy this disciplinary effect, but would imply a contractual right which, with the exception, perhaps, of the policies formally issued by the Brotherhoods, does not exist. If a man receives even somewhat meager aid from his union during the periods of greatest stress in his life, such as unemployment, strikes, or sickness, it is easier for him to remain loyal to the cause and to resist all temptations to accept work "below scale." The distribution of defense funds, even to non-unionists, during the great coal strikes, and the operation of a commissary department by the steel workers in 1919 (as by some of the clothing trades upon similar occasions), have had a good business reason. The success of the Cigarmakers in retaining their membership throughout the depressions of the eighties and nineties was the shining example that most fully convinced American unions of the value of insurance provisions.[1] The slight provision for out-of-work pay on this side of the water is recognized by the leaders to be a grave deficiency, because nothing would help so much as this to safeguard the gains made during periods of prosperity.[2]

Benefit features also react upon union structure and government. While, as already stated, a disparity of funds between local unions and between related unions in the same industry may have sometimes delayed the process of unification and amalgamation, there can be no question but that national insurance systems, when once adopted, tend to strengthen the central authority and have great disciplinary value in dealing with obstreperous locals.[3] The provision made by the unions for sickness, accident, and old age likewise gives added weight to the objection which they commonly make to corporate relief and pension plans. It serves to increase rather than decrease the independence and hence

[1] Kennedy, *op. cit.*, p. 12; Commons, *History*, vol. ii, p. 307-308, 501.
[2] Cf. Smelser, *op. cit.*, chap. vi.
[3] Cf. *supra*, pp. 269-271.

the bargaining power of the workers with reference to the employer.

But the greatest advantage of insurance provisions to the organizations themselves is just the feature that outsiders have most often held up as their worst fault. They help to keep the union treasury full, and to supply the sinews of war for trade purposes. Lack of funds and of the power of endurance which springs from them is the greatest weakness of the workers in bargaining; and, if by holding out the promise of benefits, the union can persuade its members to contribute more liberally than they otherwise would, it is not felt that any real deception or dishonesty is being practiced when, by a vote of those to whom these accumulations collectively belong, they are diverted to other union purposes. The subordination of benefit features to the purpose of collective bargaining and the maintenance of a common or general fund for all expenditures are recognized principles of trade union finance in both Great Britain and the United States. Some concessions may be made to segregation of funds in bookkeeping; but, except in voluntary departments to which only a portion of the members of the union belong, and in the insurance departments of the Railroad Brotherhoods, these can usually be overridden and nullified. The union wishes at all times to be master of all its resources. For several of the benefits a system of current assessments similar to that of a farmers' mutual insurance association is more largely relied upon than huge reserves kept under lock and key; and, perhaps a bit like the German government in 1914, the unions have great faith in the ability of warfare to pay for itself and to make new assessments and accumulations possible. Thus, it is not intended to endanger the vested interests of members who have paid higher dues all their working lives in the hope of ultimately receiving benefits. In fact, the very availability of these funds is depended upon to bring employers to terms without a struggle. The common view of old-line unionists, as expressed by President Lynch of the Typographical Union, is that the cost of benevolent features is passed along to the employer, that they become a part of the standard of

living of the workers, and pay for themselves in the increased bargaining power and better wages that they bring.[1]

3. DIFFICULTIES

Administrative difficulties have undoubtedly hindered the development of union insurance. Few of the unions have taken kindly to the idea of employing professional experts to manage their affairs; and it has probably been as often a waste as an economy to expect the same officers to conduct all departments, since not quite the same temperament and qualifications are needed for different phases of the work. National unions have hesitated to take up those forms of benefit like sick and out-of-work pay where the chance of fraud and favoritism is greatest and where, whatever the source of funds, a large measure of local co-operation in enforcement is necessary. It is fairly easy to secure authentic proof that a member in good standing for a given term is dead, and that his heirs are therefore entitled to a death or funeral benefit. In sick insurance a minimum length of membership is commonly also required, dues must not be more than so many weeks in arrears, the benefit is not paid until after a brief period of waiting, and a doctor's certificate with the testimony of a local visiting committee is to be furnished. But where financial responsibility is far removed, it is often found that visiting committees are negligent and even a doctor's certificate is sometimes too easy to obtain.

Officers of the Boot and Shoe Workers Union, for example, complain that during periods of slack employment there is a suspicious increase in the number of sick claims allowed by local unions.[2] Dr. Kennedy suggests that, owing to this temptation to translate one difficulty into the terms of another, it is easier to administer a fairly complete system of benefits than one or two alone.[3] "Big Six" in New York City, the largest local of the printers, felt compelled some years ago

[1] Lynch, "Trade Union Sickness Insurance," *American Labor Legislation Review*, vol. iv (1914), p. 90.

[2] *Shoe Workers' Journal* (Boston), July, 1913, p. 15; November, 1915, pp. 13-14.

[3] *Op. cit.*, pp. 114-116.

to abandon an experiment with out-of-work pay, because of the "parasites" and "panhandlers" that took advantage of it.[1] And the Cigarmakers who have been so often proudly cited as one of the three or four national unions giving this form of benefit, in 1920 reverted to the larger class of those who use rather the negative method of permitting an unemployed member to maintain his regular standing for a limited period without paying dues.

Even in England, where the administration of all benefits is usually acknowledged to be more efficient, there was in 1922 considerable complaint on the part of union officials, especially in the metal trades, that members were somewhat too eager to draw their full out-of-work allowance—more eager, in fact, than they had been before this was supplemented by state unemployment insurance. The strain upon the Amalgamated Engineering Union, as previously noted, finally became so great that this form of benefit had to be suspended indefinitely. Yet the unions have facilities for detecting fraud and malingering that government agents would not have; and if they had been considered grossly inefficient in their management of this difficult task, the British government would hardly have made them the organs for administering health and unemployment payments under the National Insurance Act.

As insurance features are so intimately connected and fast bound up with more militant tactics, and are carried out by the use of the same machinery, it is seldom possible to separate the management expenses due to the one from those due to the other. The chief business of labor unions is so largely of a managerial or commercial character, and the profits accruing to the "investors" over a period of time, however real, are so complex and intangible, that it is difficult to compare them with other lines or to determine when the cost is excessive. Those unions which have the smallest financial resources and which use their funds almost wholly for trade or organization purposes (such as the General Workers and

[1] Cf. Portenar, *Organized Labor* (New York, 1912), pp. 73-75; Kennedy, *op. cit.*, p. 116.

the Dockers of Great Britain) naturally show a much higher percentage of their total expenditures going for management. Often this is considerably more than one-half. On the other hand, unions like the Amalgamated Carpenters and the Engineers abroad, or the Cigarmakers and the printers in America, having a high scale of contribution and conducting multiple activities, often show less than one-fifth and sometimes less than one-tenth of their total expenditure going for office and organization work.[1] The "management and other" expenditures of British unions reported upon by the Registrar of Friendly Societies for the year 1920 were just about one-third of all expenses; those for the year previous a trifle less.[2] But such a lumping together of different items, and especially of different unions, is not considered by the unions themselves a fair method of treatment; and the year 1920 is not regarded as a representative year.[3] The Amalgamated Engineering Union was proud of the fact that during the two years from July 11, 1920, to June 30, 1922, the expenditures for management in all branches of its work absorbed less than 13 per cent of the total.[4]

A comparison of the rates asked by old-line insurance companies with those being paid by the seven principal railway unions and the Letter Carriers at the time of his study (1908) led Dr. Kennedy to conclude that the union insurance, if not quite so sound, was at any rate much cheaper. The Conductors at that time were paying for both death and disability insurance 25 per cent less than they would have had to pay an insurance company, while the Firemen, especially favored by the low age-level they have been able to maintain, were paying less than half as much.[5] The secretary-treasurer of the Typographical Union has for some years used a clever method of minimizing the administrative expenses of his organization. In the fiscal year 1920-21, for example, "overhead expenses" constituted nearly one-fourth of all ex-

[1] Cf. Cole, *Introduction to Trade Unionism*, pp. 41-43.
[2] *Ministry of Labour Gazette*, August, 1922, p. 322.
[3] *Report of the General Council to the Trades Union Congress*, 1922, pp. 8-9.
[4] Amalgamated Engineering Union *Journal*, November, 1922, pp. 45-46.
[5] *Op. cit.*, pp. 47-48.

penses. But, Mr. Hays says, when we consider that the chief business of the union is to sell the labor of its members and that the total wages received by members of the Typographical Union during this year were $141,964,382, we find that the cost of management was really less than one-third of 1 per cent.[1] The reasoning may be a bit fallacious, but it indicates that union leaders are not disposed to take a narrow view of managerial efficiency nor of the blessings flowing from it.

[1] *Supplement to the Typographical Journal,* August, 1921, p. 36. Cf. *Supplement,* August, 1922, p. 58. In the latter year management took about one-fifth of all expenditures or one-half of 1 per cent of the income from wages. The proportion has not varied greatly in recent years.

CHAPTER XV

STRIKES AND BOYCOTTS

1. A LAST RESORT

STRIKES and boycotts are the policies of labor unions that most seriously affect the public and are the ones most likely to receive first-page, scare head-line treatment in the newspapers. Many persons suppose them to be the chief weapons, if not the chief purpose, of labor organizations. For a long period strikes were under the severe condemnation of the law, and not a few would like to see them there again. If it be true that the history of nations has been too largely taken up with warfare, and that the carefully fostered remembrance of these struggles has served to perpetuate animosity from generation to generation, doubtless the same might be said to have been the effect of the prominence given to strikes, lockouts, and boycotts in the popular discussion of labor activities. They should rather be looked upon as the teeth and claws of the industrial animal which, though indispensable in emergencies, are ordinarily kept carefully hidden, or are directed to other uses than those of combat.

The strike is a confession that the real end of labor organization, collective bargaining, has either not yet been achieved, or that, in a particularly trying set of circumstances, it has failed to function properly. It is a return to the primitive method of testing the justice of respective claims and relative economic power by suspending relationships. Very probably many a labor union engaged in one of these arduous and expensive struggles has cherished the hope that this might be "the last war"; that the employer's pride and obduracy might be finally overcome; and that he might be compelled to con-

cede all demands and admit labor to a full share in determining working conditions.

Any list of the great battles of labor made up on the basis of their magnitude and of the public attention they have attracted—quite as much as upon that of the important and useful consequences proceeding from them—would include in Great Britain: the strike or lockout of the Amalgamated Engineers in 1852; the builders' strike of 1859-60; the great dock strike of 1889; the general miners' strikes, that of 1893, that of 1912, and that of 1921; the brief but distressful railway strikes of 1911 and 1919; and the so-called "general strike" on behalf of the miners in May, 1926.

In America, government investigations and other sources have provided us with amplest material regarding the Homestead strike of 1892, the Pullman strike of 1894, Coeur d'Alene in 1899, the anthracite coal strike of 1902, the strike of miners at Cripple Creek in 1903, the Lawrence strike of 1912, the steel strike of 1919, the coal strike of 1922, and, at least because of its proximity in point of time, the anthracite strike of 1925-26. But a large proportion of these were failures, and were not calculated to reflect so much glory upon the labor cause as many others which were smaller and less dramatic in their attending circumstances.

2. STRIKE STATISTICS

The statistics of strikes and lockouts are both incomplete and inaccurate. They merely give a rough idea of the number and importance of these struggles and permit some deductions respecting the periodicity with which they occur and the chances of success or failure. The figures supplied by the British Board of Trade and Ministry of Labor for the past twenty-five years show that even there the general recognition of the right of collective bargaining has not yet brought about complete harmony! For the ten years prior to the War the smallest number of industrial ruptures in any one year was 355 in 1904, with some 87,000 persons involved. It required an average of more than a thousand strikes and lockouts involving each year nearly a million workers to bring about

readjustments in the years 1911-13.[1] The progress of organization and the problems of reconstruction led in 1919 to 1,413 disputes in which more than two and one-half million participated; and to 1,715 disputes in 1920 involving more than two million.[2] The number of working-days lost through such disturbances was often over ten million per year before the War; was more than forty million at the time of the miners' strike in 1912; was nearly thirty-five million in 1919; and, again because of the miners' strike, the huge total of nearly eighty-six million in 1921.[3]

The fragmentary data gathered by the United States Commissioner of Labor for the twenty-five years from 1881 to 1905 yield a total of 36,757 strikes and 1,546 lockouts, or 38,303 disputes. The lowest number was 443 occurring in 1884; the early nineties were a period of stress, with 1,833 in 1890 and 1,717 in 1891. The highest figure of all for this earlier period in number of disputes, number of establishments involved, and number of persons was in 1903 when there were 3,648 strikes and lockouts affecting 23,536 firms, and throwing about three-quarters of a million persons out of employment.[4] The growth of unionism and the strain of war and reconstruction are shown here as in Great Britain in the returns for the more recent period from 1916 to 1924. There were more than 3,000 disputes each year from 1916 to 1920 inclusive. The year 1917 showed the largest number of disputes (4,450), but 1919 exceeded all records in number of workers involved—over four million.[5] In fact, an analysis of the figures for 1881-1921 shows that since 1900 there has not only been an increasing number of strikes, but that during the last seven years of the period (1915-21) "the proportion of strikers as compared with the number of industrial wage-

[1] Board of Trade, *Report on Strikes and Lockouts*, 1912, 1913.

[2] *Ministry of Labour Gazette*, January, 1921, pp. 2, 6, 7.

[3] Both the number of disputes and the number of working-days lost on account of them were smaller in the period 1922-25. (*Labour Gazette*, July, 1925, pp. 230-231.)

[4] Commissioner of Labor, *Twenty-first Annual Report: Strikes and Lockouts* (Washington, 1907), p. 11, *et seq.*

[5] "Strikes and Lockouts, 1916-1924," *Monthly Labor Review* (Washington, June, 1925), pp. 180-190.

earners was from four and a third to five times as great . . . as during the years 1881-85." [1] The average duration of strikes during the first period was 25.4 days, the longest duration being an average of 35.5 days in 1904. The average duration for later years of all disputes for which such data were obtainable varied from a "low" of 17 days in 1918 to a "high" of 51 days in 1921.

3. DO STRIKES PAY?

Competent authority discourages any attempt to carry the computation further, because multiplying together two uncertain or unknown quantities is apt to result in some absurdities.[2] But the temptation has been altogether too strong for some ardent friends of industrial peace to resist; so that we have a goodly number of monetary estimates of the cost of strikes to one or more of the parties concerned. The British coal strike of 1921, which lasted three months, was estimated to have cost approximately £220,000,000.[3] The post-bellum epidemic of strikes which visited these shores in 1919 is estimated by one courageous person to have caused a loss of $725,000,000 in wages to labor and of $1,250,000,000 to industry, making a total of nearly two billions in all.[4] The Los Angeles *Times* agrees with the estimate to the extent of attributing a loss of one billion from strikes occurring in but six months of that stormy period.[5] And Marshall Olds, who has exploded into a book upon the subject, estimates that the total time lost through strikes in 1919 must have been about five hundred million working-days, and that the total loss direct and indirect to all parties must have approached the stupendous total of *ten billion dollars,* or as much as the War itself cost us in any one year![6] The steel strike of 1919 alone is estimated by one writer to have caused a wage-loss of $87,-

[1] Douglas, P. H., "An Analysis of Strike Statistics 1881-1921," *American Statistical Association Publications,* September, 1923, pp. 4-5.
[2] Cf. Whitney, "Cost of Strikes," *Monthly Labor Review,* September, 1920, pp. 189-196.
[3] Trade Commissioner Page cited in *Boston News Bureau,* July 15, 1921, p. 2.
[4] Hammond and Jenks, *Great American Issues* (New York, 1921), p. 99.
[5] Cited in *Literary Digest,* August 30, 1919, p. 16.
[6] Olds, *High Cost of Strikes* (New York, 1921), p. 210.

000,000.[1] The 323 strikes which occurred in Pennsylvania during the first six months of 1921 are estimated to have deprived the workers of over $25,000,000 in wages.[2] The Merchants Association of New York vouches for the statement that the series of strikes which affected the coastwise steamship lines from January, 1918, to the middle of 1920 cost the public in higher prices for goods and otherwise over $85,000,000.[3] Street-railway strikes in New York State in 1923 are said to have caused a loss of $10,000,000.[4]

Such figures, if taken at their face value, are enough to make the judicious grieve. Certainly, after all allowances have been made, strikes are an expensive method of settling differences (if they do settle anything), and should be entered upon only under great provocation or with the prospect of large and permanent gains. But practically all the items—the number of strikers, the duration, the wage-loss, the curtailment of production, the inconvenience to related industries, the destruction of property—are so certain to be inflated and the process of putting them together involves so much duplication and pyramiding that estimates are apt to be greatly exaggerated. It has been suggested that even in the worst years, either in Great Britain or the United States, the loss of production and in wages due to strikes is scarcely more than would occur if all gainfully employed persons should take one extra holiday during the year.

From the labor viewpoint strikes are justified by their fruits. Much excellent advice has been given to the unions both by the more experienced national officers, and by not always disinterested outsiders, as to when *not* to strike, what should be the condition of the employer's business and of the labor market before any new demands are pressed, what constitute popular and legitimate grounds for a fight, the sacredness of contracts, the folly of disorder and violence, how long it is wise to carry on the struggle should the employer's position

[1] Whitney, *op. cit.*, p. 193.
[2] Report of Director of Mediation cited in New York *Times*, August 16, 1921, p. 1.
[3] New York *Times*, June 7, 1920, p. 15.
[4] New York *Times*, July 23, 1923, sec. 2, p. 1.

prove stronger than was supposed, and an entire code of othe details and practices.[1] And many mistakes have undoubtedly been made because these injunctions went unheeded; becaus due preparations were not made in the way of organizatio and the accumulation of funds; because of overconfidence an the failure to choose the psychological moment for comin out; and because something was done to antagonize publi opinion and to play into the hands of the adversary. Ye the statistics of strikes indicate that, whatever the cost, th number of complete or partial successes is greater than th number of defeats.

The major cause of strikes is a difference of opinion as t what wages should be paid. In periods of rising prices an abounding prosperity there is a demand for revision upward and in periods of decline and depression there is resistanc to the employers' efforts at reduction. Over 40 per cent o the strikes reported upon by the Commissioner of Labor fo the period from 1881 to 1905 were undertaken either to secur an increase in wages or for this in combination with othe demands. About one-third as many more were to oppose reduction.[2] In the period from 1916 to 1924 wages were factor in over 45 per cent of the disputes reported, there bein about one-fifth as many of these against reduction as for rise.[3] The hours of labor were, of course, a grievance in large number. But of greater significance as showing th attitude of labor and doubtless the best way of cutting dow the number of strikes was the prominence (especially in th earlier period) of the demand for recognition of the unio itself or of some union rules. Either alone or in combinatio this claim led to nearly one-fourth of all strikes occurrin from 1881 to 1905; and it increased so much in importanc that in 1904 it was a cause in nearly one-third.[4] Part because recognition was already more generally granted,

[1] Cf., for example, Oscar Crosby, *Strikes: When to Strike, How to Stri* (New York, 1910); Webb, *Industrial Democracy*, pp. 738-739; Cole, *World Labour*, p. 279, *et seq.*

[2] *Report*, 1906, pp. 55-68.

[3] *Monthly Labour Review*, June, 1925, p. 185. Strikes against decreases wages were especially numerous from 1920 to 1922.

[4] *Report*, 1906, pp. 65, 67.

was a less frequent cause of strikes from 1916 to 1924 but was still a factor in more than 10 per cent of the disputes reported.[1] In Great Britain wages were the primary cause of two-thirds of the industrial disputes in the period 1910-24. The "employment of particular classes of persons" accounted for 15 per cent; and "trade unionism" for 7 per cent.[2]

British figures regarding the outcome of strikes prove their general accuracy by not being very conclusive for either party. A large proportion are indicated as being settled by compromise, while for the rest the employers and the workpeople each have their innings according to the state of the market, the strength of the labor organizations concerned, and the judgment shown. The parallelism which has been noted between the number of strikes and the advances in wages during the past quarter of a century are so close as to justify the opinion that these are not wholly unrelated phenomena.[3] In the United States strikes were successful or partially successful in about two-thirds of the cases from 1881 to 1905 (47.94 per cent wholly, 15.28 partially).[4] In the later period labor won partly or wholly about three-fifths of the struggles (both strikes and lockouts) which occurred from 1916 to 1919 inclusive, but was plainly less judicious in its undertakings and occupied a less strategic position during the following years of depression.[5] For the whole period 1916-24 it actually lost more strikes than it won. It is the part of an optimistic labor philosophy, however, to believe that even an unsuccessful strike is not entirely a loss; that besides giving a new union a chance to try its mettle preparatory to later victories, it often produces a wholesome respect in employers and leads to various backhanded concessions. The steel workers were quite generally convinced that the 10

[1] *Monthly Labor Review*, June, 1923, p. 235; June, 1925, p. 185.

[2] *Labour Gazette*, July, 1925, p. 231.

[3] Cf. Lloyd, *Trade Unionism*, p. 154, *et seq.*; *Labour Gazette*, July, 1925, p. 231.

[4] *Report*, 1906, pp. 79-80. Employers won almost the same proportion of lockouts, the dispute taking this form, of course, when the employer felt most certain of his position.

[5] *Monthly Labor Review*, June, 1925, p. 188. In 1921, out of 1,248 disputes of which the result was reported 701 ended in favor of employers, 256 in favor of employees, and 291 were compromised.

per cent increase in wages which the Steel Corporation gave shortly after the strike of 1919 was a posthumous child of the strike itself.[1] Also the loss of wages during strikes is not looked upon so seriously. Strike benefit from the funds of the union helps to relieve the hardship to the individual. If an advance of, say, 10 per cent is won through a strike lasting not over a month, the loss due to the idle period can be recovered before the year is out. The strike period, in fact, may not be wholly one of idleness; because, even though employment elsewhere at his own trade or task is not available, the striker can frequently earn considerable sums at other work. In seasonal industries, time lost during strikes is frequently made up in large measure by more regular work throughout the remainder of the year. The number of working-days lost through strikes in the coal industry of the United States from 1900 to 1919 was only 10.5 per cent of the number lost from all causes.[2] Altogether, the workers cling to the right to strike as one of the chief props and stays of their liberty and as a valuable form of protest against oppression by profit-seeking employers.

4. THE OTHER PARTIES

The loss to the enterpriser from strikes may also be easily exaggerated. The impression is general, among cartoonists at any rate, that the long-suffering consumer pays the bill whenever there is a strike in the anthracite coal fields, or when any advance in wages is granted. The employing corporation which enjoys a poorly regulated or unregulated monopoly can often afford to deal liberally with discontented workmen and reimburse itself through higher prices. The railroads and some other public utilities have been less fortunate in this respect because of the hiatus that has appeared between wage-determination and rate-regulation. Fixed charges, of course, go on during suspensions due to strikes or lockouts, but it is improper to talk as though running expenses continued at full blast. There are cases where managers almo

[1] Cf. *International Molders' Journal*, March, 1920, p. 200.
[2] *Monthly Labor Review*, March, 1922, p. 159.

welcome a shut-down (or, at any rate, pretend they do) for the sake of having a chance to make repairs and alterations in the plant, and getting rid of surplus stock. The figures for strikes and lockouts from 1881 to 1905 show a surprising number of instances—over 60 per cent of the strikes and 68.25 per cent of the lockouts—where the employer has evidently not been able or has not attempted to operate with substitutes or strikebreakers, where the plant has remained closed for practically the full duration of the dispute, and dependence has been placed upon the sobering influence of time and economic necessity to bring the strikers back in a more docile frame of mind. Strikebreakers are likely to be expensive, anyhow, in several ways, and so, also, are private guards and detectives.[1]

Yet the average employer desires continuity, and wishes to safeguard himself as best he can from the chance of serious labor troubles. Often in time past, as in the steel industry, he has been able to accomplish this by the more rapid introduction of machinery and the simplification of processes, and by dependence upon a heterogeneous and unrestricted supply of immigrant labor. But there is some reason to think that in future he must rely more largely upon an enlightened labor policy. Collective bargaining, to be sure, has not so far provided complete insurance against strikes. But in those industries in Great Britain and America where really adequate machinery for this purpose has been developed, where it has been made sufficiently comprehensive in scope to cover all grounds of dispute, and where there is opportunity for frequent and unreserved exchange of ideas, there have been long periods of harmony, and a sense of security prevails.

The public, as already implied, is now the party which is most loudly asserting its interest in bringing about industrial peace, and the one upon which, in its supposed capacity of "the innocent bystander," the most sympathy is being bestowed. The demand for the abolition of strikes, at least in key industries, and for "arbitration with teeth to it," is pri-

[1] Cf. United States Bureau of Labor, *Report on the Miners' Strike in Westmoreland County, Pa.* (Washington, 1912), pp. 18-19, 54.

marily a public demand. Indeed, it does not seem right that the convenience and health, and even the life itself, of the people should be jeopardized by the disagreements of the miners and the operators, or of the Brotherhoods and the railway companies. Nor is it either proper or efficient that mayors, governors, and even prime ministers and presidents should be called upon to devote so much of their time and thought, as during the past quarter of a century, to the attempted settlement of industrial conflicts. The public concern is often so great as to make it almost automatically prejudge a dispute against that party which seems to take the initiative in bringing about the suspension—usually the union—while the other party reaps the advantages of posing as the advocate of peace and order and public service.

Some, however, are not willing to admit that the public is always or even usually an innocent bystander. The consumer as the ultimate employer cannot wholly shift responsibility for industrial conditions. In the civil service itself and in those industries which are subject to public regulation the government should see to it that adequate salaries and wages are paid and that other conditions set a proper example to private enterprises. John A. Fitch has declared that the very best guarantee of immunity from labor disturbances in public service industries would be to pay a kind of premium-wage to all persons so engaged, and to see to it that the jobs are made so attractive in every way that competition for them would be very active and that every present incumbent would be deathly afraid to commit any infraction of discipline which might lead to his dismissal.[1] The Boston police strike would hardly have occurred under such conditions. This form of strike insurance might prove a very profitable investment. As G. D. H. Cole declares:

> The worker cannot afford to have too many feelings for the community till the community develops feelings for him. . . . The consumer is not the innocent third party he is often represented as being; he is the exploiter's accomplice before the fact.[2]

[1] Fitch, John A., "Government Coercion in Labor Disputes," *Annals of the American Academy*, vol. xc (July, 1920), p. 74, *et seq.*, esp. p. 81.

[2] Cole, *World of Labour*, p. 402. Cf. Lloyd, *op. cit.*, p. 153.

Arbitration and other forms of interference in labor disputes by third parties, whether the machinery is suddenly improvised to meet a crisis, or is a more or less permanent affair waiting for trouble to arise, have not proved a great success. In fact, the conditions for their success are so nearly similar to those for efficient collective bargaining that it seems doubtful whether the one can often serve as a supplement for the other. In Australasia, in Canada, and in Kansas, boards and courts clothed with very considerable legal authority have not been able for any great length of time to prevent strikes. Rather they have, like the Railroad Labor Board, sometimes had the effect of encouraging unreasonable demands and extravagant statements, and have promoted a litigious attitude decidedly unfavorable to mutual understanding.[1]

5. "LAW AND ORDER"

The legality of strikes themselves, after remaining long in doubt and receiving many setbacks, is now generally conceded. It is recognized that they are in the main undertaken not from malice but for the benefit, real or supposed, of those who participate in them. And the public out of sympathy for the under dog or upon the too meager information that reaches it as to the real merits of any particular controversy, has often shown itself willing to put up with considerable inconvenience and make considerable sacrifices in aid of the workers' cause. In strikes of the low-paid and comparatively unskilled, such as those of the London match girls and the dockers in 1889 and those of the clothing workers or the packing-house employees in America, this public support has gone far to bring victory. Public sentiment, outside perhaps of certain steel towns where it unfortunately counted for the most, was undoubtedly behind the strike of the steel workers in 1919, and has never been quite satisfied with the outcome of that struggle.

Severe condemnation, however, still falls upon certain ac-

[1] Cf., Bing, *War-time Strikes and Their Adjustment* (New York, 1921), chap. xx; Hammond and Jenks, *op. cit.*, p. 99, *et seq.*

companiments of strikes, notably picketing, violence, an boycotts. Ideally, at least, the strike is a passive measur The analogy with warfare has been much overdrawn. It a mere withholding of labor, a folding of the arms, to demo strate, if possible, to the employer that he cannot get alo without the services of the striking workers and that he ha best concede their demands. But when too active measur are taken to prevent him from securing other help, or whe social and economic pressure is exerted upon persons wh are only indirectly concerned in the struggle, then the stril does seem like war, or at any rate a blockade. It menac the public safety, infringes upon property rights, and becom malicious in its effects if not in its purpose. In principle an according to the rules of the game, the employer has a perfe right to induce stragglers among his former employees to con back, and to secure other workers elsewhere if he can. Wha ever vested interests the strikers may have had in their jobs a forfeited, or at least take a place second to the claims of oth persons in honest search for employment. Where the unio is an open union and where it can be assumed that the frui of victory would benefit the workers as a group and raise th general standard of living, not redounding merely to the a vantage of a monopolistic few, strikebreaking is not a thin to be commended and it is well enough that it should carr with it a certain stigma. If the resources of the union co ducting the strike permit, it may very properly make son provision for the support of these possible competitors durin the testing period. Also, it may be granted that the use professional strikebreakers or, as in some telephone strikes, students who are not *bona fide* workers and accept the jo only temporarily because of the bonus paid or the love adventure, is certainly not more worthy on the part of em ployers than some of the local price-cutting and other unfa practices which are now condemned under the trust acts. appears that the strikebreaking organizations or gangs co ducted for profit by such men as Collison in Great Britain an Farley, Waddell, and others in the United States have bee

ıp for sale to the highest bidder quite regardless of the jus-ice of the claims of the men whose places they were taking.[1]

Because of the handicap which the workers often suffer in he matter of publicity, and in order that possible candidates or jobs may understand just what the situation is before they ome, several states—Massachusetts and Maine, for example —require that an employer against whom a strike is pending nust indicate that fact in his advertisements for workers. Labor papers do their best to keep their constituencies in-ormed as to where strikes are in progress and to warn them way from such points. It is acknowledged, also, that strikers hould have the right to hold meetings and to discuss and dvertise their grievances in public gatherings, so long as they onform to local ordinances. Lest some persons may still ome to work without understanding the situation, and in rder to watch developments generally, strike leaders feel t necessary also to station pickets about the plant, who shall ngage all comers in conversation and present to them the trikers' cause. And where picketing of this sort is confined o "peaceful persuasion," carried on by a limited number of epresentatives—"not more than one or two for each point f ingress or egress"—the courts are not disposed to interfere vith it.[2]

The public utterances of labor leaders themselves uniformly ondemn violence. Eugene V. Debs, as the leader of the great Pullman strike in 1894, appealed to the last for law and rder.[3] John Mitchell and later high officials of the United Mine Workers have apparently done their best to impress ıpon their membership the suicidal folly of acts of aggression, nd have been quick to find the blame for such tragedies as Ludlow, Colorado, Herrin, Illinois, and Mingo County, West Virginia, in the murderous tactics of gunmen employed by

[1] Cf. Collison, *The Apostle of Free Labour,* p. 99; "Waddell Whose Busi-ess Is to Break Strikes," Boston *Herald,* September 15, 1912, magazine sec., . 7; New York *Evening Post,* September 11, 1913 (Farley), etc.

[2] Cf. Sayre, *Cases on Labor Law,* pp. 181-236. Note especially the opinion f Chief Justice Taft in American Steel Foundries *v.* the Tri-City Central Trades Council, 257 U.S.184 (1921), given in Sayre, pp. 213-220.

[3] Cf. Swinton, John, *Striking for Life* (1894), pp. 154, 197-198.

the other side.[1] The extraordinary unwillingness of labor me all over the country, including President Gompers, to believ in the guilt of the McNamaras and others connected wit the dynamite outrages in behalf of the Structural Iron Work ers down to 1912, was apparently due to their deep-seate suspicion of detectives and of courts and of capitalism in ger eral, rather than to any desire to wink at crime and disorde Mr. Gompers finally spoke of the wayward brothers as "tw poor, misguided fanatics, out of two million workers, . . driven to hopelessness and pessimism by a policy of oppres sion"; and he bitterly resented the efforts of "union busters to fasten responsibility for their "crazy acts" upon organize labor as a whole.[2] In order to insure the minimum of friction between pickets and the police, the International Ladies' Gar ment Workers have sometimes conducted a regular schoo for strike leaders and pickets.[3]

But there are usually so many inflammable elements in volved in any strike which the employer takes energetic step to break that picketing can seldom be restricted to its prope field. There is a crowd of idle men anxiously awaiting th outcome; the strikebreakers may be negroes or foreigners, an thus race-feeling is added to the already high voltage; cam followers of various species, less responsible than the striker themselves, are sure to mingle with the crowd and are likel to commit depredations under cover of excessive zeal; th private police and detectives whom the employer may thin it necessary to employ for the protection of his property an of "loyal" workers or new recruits, have the reputation amon unionists of stirring up trouble when otherwise there woul be none; and the state constabulary are considered scarcel

[1] Mitchell, John, *Organized Labor,* p. 318, *et seq.;* White, John P., *Repo United Mine Workers' Journal,* January 22, 1914; December 3, pp. 2-3; Hay Frank J., on the Colorado strike of 1914, quoted in *Literary Digest,* Febr ary 7, 1914, p. 248; Gadsby, Margaret, "The Coal Strikes," *Monthly Lab Review,* November, 1922, pp. 20-21.

[2] Interview in *McClure's Magazine,* vol. xxxviii (1912), p. 371. Cf. "Bur Story," in same, vol. xxxviii, p. 363, *et seq.;* O'Higgins, Harvey J., "The Dyn miters," *McClure's Magazine,* vol. xxxvii (1911), pp. 347-364; "Labor Co ment on the Dynamite Conviction," *Literary Digest,* January 18, 1913, p. 1

[3] New York *Herald,* February 18, 1923, cited in *Law and Labor* (New Yor March, 1923, p. 69.

less partial to corporate interests, and as given to unwarranted interference provoking retaliation.[1] Certain trades like mining, teaming, and the building trades not only attract men of a hardy, risk-loving temperament, impatient of opposition, but also furnish missiles and other means of intimidation to those disposed to use them. George McNeill's remark is worth remembering, that it is never quite safe for a non-union man to come up a ladder after a union man carrying brick. When the courts and the police or military forces do not interfere, those who remain at work and new applicants for jobs often have to run a gauntlet of threatening, jeering bystanders, and sometimes have to be housed in the works.

All this constitutes intimidation, moral and social, even though it stops short of actual physical harm. It takes the struggle out of the economic sphere and makes it a test, not of the state of the labor market, but of relative physical and moral courage and prowess. Certainly, all well-established unions which hope to have a future must realize the necessity of holding their members in line and of avoiding all the excesses of a turbulent youth. The public, on its side, should not only see that it has unbiased sources of information for the shaping and guidance of public sentiment respecting the merits of a dispute; but that the right of assemblage and all proper avenues of publicity and popular discussion are maintained and kept open; and that its own servants, the state and local executives, the police and the judges, are fair-minded and professional enough in their attitude to hold the balance of justice even. When the law or the administration of the law does not seem to be the enemy of what is right, there will be much less violence and disorder connected with labor disputes.[2]

[1] Cf. Maurer, James, in *Report of Commission on Industrial Relations, Testimony* (Washington, 1916), vol. xi, p. 10931, *et seq.*; Foster, *The Great Steel Strike*, chap. viii.

[2] Cf. Adams, Barnett and others, "Violence in Labor Disputes," *American Economic Association Publications*, 3d series, vol. vii (1906), pp. 176-218; Interchurch World Movement, *Report on the Steel Strike of 1919*, p. 236, *et seq.*

6. THE BOYCOTT: ITS NATURE AND FORMS

The boycott has been mentioned already as one of the pol cies particularly adapted for use by the more inclusive form of labor organization, such as industrial federations or d partments, central labor unions, and general federations.[1] is an effort to organize and direct the consuming power of th workers and of their sympathizers, so as to bring it to the ai and improvement of their position as producers. The ide itself is by no means peculiar to labor and labor dispute The Housewives' League and similar bodies have several tim attracted considerable attention and perhaps exercised som influence when they have declared a boycott on sugar or mea or some other commodity for which they have thought deale were charging excessive prices. The National Preservers an Fruit Products Association, said to represent far the larg portion of the canning industry of the United States, an nounced in May, 1920, that its members would refuse to bu sugar until the prevailing high prices had been cut in hal The Consumers' League in its fight against the sweatsho formerly depended chiefly upon an appeal to its members an the public to patronize only "white label" goods and store The employers use exactly similar devices in the black li and in such attempts as that of the Bethlehem Steel Corpor tion and others to favor non-union contractors in the buil ing industry.[3] The more than 4,000,000 organized worke of the United States represent, at a conservative estimat some 15,000,000 consumers, and their aggregate wages 1921 were estimated at five billion dollars.[4] Boycotts an the union label are efforts to utilize the economic power th represented.

The form which the labor boycott takes has varied, course, with circumstances. Superficially viewed, it ma sometimes appear vindictive and to be aimed rather spit fully at persons rather than products—to have for its prima purpose to injure non-unionists or get even with a refra

[1] *Supra*, pp. 273-274, 279, 291.
[2] New York *Times*, March 21, 1920, p. 1.
[3] Cf. Beman, *Closed Shop* (New York, 1922), pp. 235-236.
[4] Cf. *Proceedings of American Federation of Labor*, 1921, p. 295.

tory employer, rather than to benefit and improve the economic status of those who launch and take part in it. But its objective is not essentially different from that of strikes, with which, in fact, it is often closely associated. The boycott has frequently been used as a last resort to bolster up a strike, and at other times a strike is threatened to enforce a boycott.[1] When union men refuse to handle or to work with tools or materials which they consider tainted with non-unionism, or to work with non-unionists themselves, they usually threaten to quit work if the offending articles or persons are not removed. On the other hand, when a strike seems on the point of failing, and it is thought necessary to bring all weapons and resources to bear, a boycott may be declared upon the finished products of the "unfair" concern.

According to the width of the appeal made in such cases and in some measure according to the nature of the appeal, boycotts have been divided into three principal classes: (1) primary, where only the workers directly involved in the dispute participate; (2) secondary, where other members of organized labor and their sympathizers are urged to join voluntarily; and (3) tertiary or compound, where an effort is made to gain the support of outsiders by threatening to boycott them also if they do not conform.[2] The union label is a negative form of boycott which strives to identify and to promote the sales of commodities produced under "fair" conditions, rather than merely to divert consumption away from "scab" products. The positive and negative forms are really complementary, since the average consumer cannot be expected to go to great trouble making inquiries and investigations as to what goods are union-made, and as to where they can be obtained. The positive boycott, however, is more often a temporary, rapid-fire device aimed at a particular firm, whereas the use of the union label has the character of a deliberate and persistent campaign in support of those employers who recognize and bargain collectively with the union.

[1] Cf. Laidler, *Boycotts and the Labor Struggle* (New York, 1914), pp. 90-92.

[2] Cf. Laidler, *op cit.*, p. 64. There is not everywhere complete agreement with these definitions, but the distinctions made seem the most real and convincing.

7. HISTORY AND EXAMPLES

The labor boycott in all its forms is chiefly an American development. The term is of Irish origin, being derived from the name of Captain Boycott who incurred great unpopularity and suffered grievous persecutions as a land agent in Ireland about 1880. That, however, is hardly sufficient to explain the fact that this method has not been much resorted to in Great Britain.[1] In Mr. and Mrs. Webb's *Industrial Democracy,* which is commonly looked upon as a complete description and analysis of union machinery and methods abroad, the term occurs only in the index and there in a restricted sense. Neglect of such an important weapon cannot be accounted for by legal obstacles, because the Trades Disputes Act of 1906 seems to establish the legality of the boycott just as clearly as that of the strike. The chief reason is doubtless that in Great Britain the organization of consumption in aid of the workers has long and increasingly been accomplished through the co-operative movement.

In America the practice seems to have been as old as the name, if not older. The Knights of Labor early found both the boycott and co-operation better suited to their somewhat loose and comprehensive structure than the strike and some other trade methods. The American Federation—while from the beginning more given to moderation in this as in other respects—favored a restricted use of the boycott by its component national unions, and often lent its support and the use of its facilities for obtaining publicity. Beginning with the first issue of the *American Federationist* in 1894, it published a list of boycotted firms under the heading "We Don't Patronize"; and this list often included nearly a hundred names. But experience soon taught the desirability of still further concentrating attention upon the "most needy cases"; and certainly at the time when the decision in the Danbury Hatters case in 1908 and the contempt proceedings in the Buck's Stove and Range Company case the same year largely put a quietus upon this form of activity, the policy of the

[1] Cf. Laidler, *op. cit.,* chaps. i, xv; Wolman, *The Boycott in American Trade Unions* (*J. H. U. Studies,* 1916), pp. 41-42.

Federation with reference to it could not have been called reckless. From 1890 onward it refused to endorse any boycott declared by constituent unions until after investigation by the Executive Council. When the number of names presented as eligible for the "We Don't Patronize" club exceeded all bounds, there was a drastic revision, and further restrictions were placed upon the number of boycotts to be endorsed. The legal difficulties which came to a head in 1908 caused the abolition of the offending list, and have led to still greater conservatism—perhaps even timidity—in handling boycott resolutions presented to the annual conventions.[1] Efforts have since been more and more directed toward pushing the union label.

This device was first used by the cigarmakers of the Pacific Coast in 1875, as a means of protecting themselves from the influx of Chinese. It was taken up by the cigarmakers of St. Louis in 1879, and a year later was adopted by the national union of that trade, especially for the purpose of checking tenement house competition. Nine other nationals, including the Hatters, the Printers, the Garment Workers, the Boot and Shoe Workers, and the Bakers, adopted the idea before 1890. But the chief development has occurred since that date.[2] There are at present over fifty of the national unions affiliated with the Federation which exploit the union label and some ten others using cards for a similar purpose. The Federation's own label is used by a number of minor organizations.[3] These, taken together, are estimated to comprise about one-half of the total membership of the Federation, and to represent practically every trade to which such a stamp is at all applicable. A Label Department was organized in 1909, and it has since materially assisted the label trades in agitating for the purchase of goods bearing the union stamp.[4]

The history and statistics of boycotts have been even more imperfectly recorded than those of strikes. A few of the more

[1] Cf. Laidler, *op. cit.*, chap. vii.
[2] Spedden, *The Trade Union Label* (*J. H. U. Studies*, 1910), pp. 18-22.
[3] *Proceedings*, 1925, p. 20.
[4] *A. F. of L. History* (1919), p. 433; *Proceedings*, 1921, pp. 28, 294-296.

spectacular have been remembered. Among them are the boycott of the New York *Tribune* by the Typographical Union in 1884, said to have played an important part in the defeat of Blaine for the presidency; the taboo declared by the American Railway Union against the cars of the Pullman Company during the strike of 1894; the outlawing of non-union trim by the Carpenters of New York City since 1896; Metal Polishers *v.* National Cash Register Company, 1902; the fight of the Bakers against the products of the National Biscuit Company in 1903 and their more recent, long-continued agitation in the *Bakers' Journal* and elsewhere against the "Bread Trust"; the rather far-reaching boycott which prevailed in mining communities during the anthracite coal strike in 1902; the costly but determined fight which the printers made upon the fashion publications of the Butterick Company; and, still better known because of the prolonged litigation growing out of them, the two cases mentioned before, that of the Danbury Hatters, which was declared in 1902, and that of the Buck's Stove Company of St. Louis which began with the Metal Polishers in 1906 and was later taken over by the American Federation.

Several trades have been very successful in the use of the boycott either in its positive or negative forms or both, and a few have exalted it into a major policy. The building trades have employed it frequently and with much success. Probably those trades having to deal with food and allied products, notably the Bakers, the Brewery Workmen, and the Cigarmakers, have been most successful of all in its use. Somewhat less so have been the clothing trades, such as the Garment Workers, the Hatters, and the Boot and Shoe Workers. Some rather definite rules and limitations are now recognized for its successful use. Most fundamental is the one that a boycott has the best chances of success when it is directed against some article of general consumption which the workers themselves buy frequently and in large quantities. However widely the appeal may be extended, it is upon fellow-unionists that a trade must depend to give real effectiveness to the campaign. The importance of the demand for

union cigars, union-made overalls, and, especially around election-time, for the union label upon printed matter, is sufficient to make it worth while for the enterpriser to grant some concessions in order to obtain the stamp of approval. It is found that the label is less successful upon goods which women buy than upon those which men buy, because other considerations such as relative cheapness or style will have more weight with women, and their appreciation of the influence which their purchases have upon working conditions is often less vivid. Much depends upon the degree to which attention is focused upon particular products and upon the vigor with which the boycott is advertised and prosecuted from the beginning. Monopolies and trusts and even companies enjoying a wide and varied market are comparatively impervious to such attacks. The enforcement of a boycott or of patronage for union goods is, of course, likely to be better when the good or the manner of its consumption is such that any violation can be easily detected by fellow-unionists. Cigars purchased in the presence of other union men are more likely to bear the union label on the box than those bought privately. For the sake of impressing their obligation upon the membership, the Boot and Shoe Workers, the Hatters, and a number of other unions have established a fine against those who are known to purchase non-union commodities when label goods are obtainable.[1] The "right of search" for labels on clothing has often been discussed but seldom, if ever, executed.[2]

8. Is the boycott a justifiable weapon?

The attitude which economists and even the courts take toward the boycott depends, as in unionism in general, upon their conception of the relative position or standing of the parties in industry. Those who know the facts of present-day capitalism, and who believe that the worker suffers from a grievous handicap in bargaining and in bringing about im-

[1] Sf. Spedden, *op. cit.*, chap. vi; Laidler, *op. cit.*, chap. x.
[2] Cf. *Proceedings*, 1921, p. 288.

provement in his lot, will not be disposed to deny him the use of any economic weapon. Cases arise where he needs to draw upon every resource he and his comrades possess to bring about any semblance of equality. To enforce perfectly reasonable and legitimate demands, it may sometimes be necessary for the workers not only to withhold or threaten to withhold their labor but to combine also to withhold their purchasing power from recalcitrant employers.

If, as seems well established, employers have continued in spite of all legislative restrictions to use the blacklist and to discriminate in favor of other concerns employing non-union labor, then it is hardly just to deny or attempt to abridge the corresponding action on the part of labor. That the power in one case (because of the smaller number of parties involved and the ease of communication and agreement) can be exercised quietly if not with absolute secrecy, whereas in the other case its use implies considerable noise and publicity, does not alter the situation.

The right of each individual (within the limits of the Volstead Act and possibly one or two similar restrictive measures) to govern his consumption as his finances and his fancy dictate being once granted, and general approval being given to the organization of labor for mutual protection and advancement, it becomes difficult to establish a case against the boycott so long as the means used in its prosecution are not themselves violent and unlawful. If the legality of the primary boycott is admitted, as it is almost universally, and if the right of labor unions to federate locally and nationally or industrially for common ends is conceded, then the prevailing antagonism of the courts toward the secondary boycott appears unwarranted. Central labor unions, the various industrial departments, and the American Federation itself are acknowledged to be acting within their rights when they give aid and encouragement to constituent unions in their negotiations and strikes. The interdependence between trades and the sense of a common cause—reciprocity if nothing more—are sufficient to give motive for such assistance without

assuming that it is malicious. Why should the boycott be so considered, and its conduct by a body large enough to make it really effective be proscribed? It is obvious that if the appeal is too widely extended, or if it is made too often or with reference to too many different articles, it will gain little support, will have little effect upon the sale of the tabooed products, and thus will defeat itself. The American Federation, as previously noted, long before the adverse decisions of 1908, was working for a more and more sane and moderate use of the boycott.

Certainly, the general public, also, is not required to remain a neutral in every labor struggle, but should have a right to learn the facts through boycott declarations and otherwise; and if it is convinced that the labor cause is just, to show its sympathy in this, probably the most efficacious manner open to it. Whatever support it gives voluntarily upon all the evidence and rival claims can hardly do injustice or undue injury to the boycotted firm. Many would doubtless draw the line at tertiary or compound boycotts, as an unwarranted interference with the liberty of outsiders. But even that is merely a combination of two primary boycotts or threats to boycott—an effort of labor to enlist not only its own purchasing power and that of its immediate sympathizers with reference to a particular commodity in bringing pressure to bear upon the employer, but to enlist all of its purchasing power with reference to all commodities to that same end.

The decisions of the United States courts and of the state courts against the boycott are based upon such varied and sometimes inconsistent reasoning and are robbed of so much of their sanctity by able dissenting opinions that labor seems almost justified in its impression that the judges themselves were malicious; that they first made up their minds to outlaw the boycott, and then hunted diligently for arguments and precedents to bolster up their case. The highest courts of New York, California, and Montana have approved secondary boycotts upon substantially the same grounds as pri-

mary, and as really not clearly distinguishable from them.[1] So long as the means used are lawful, they hold that what individuals have a right to do when acting singly they still have a right to do when acting in concert. Justice Brandeis of the United States Supreme Court, with whom Justices Holmes and Clarke agree, would give the boycott the same legal standing as the strike. He repudiates the doctrine that malice and intent to injure are more present in the one case than in the other or than they are in all competitive activities.[2]

[1] Cf. Sayre, *Cases on Labor Law,* pp. 398-401, 424-433, 454-460; Mills *v.* U. S. Printing Company, 99 Appelate Division (New York) 605; Pierce *v.* Stablemen's Union, 156 Cal. 70; Lindsay and Company *v.* Montana Federation of Labor, 37 Mont. 264 (1908); Laidler, *Boycotts,* chap. xiv and appendix.

[2] Duplex Printing Press Company *v.* Deering, 254 U.S. 443 (1921), given in Sayre, *op. cit.,* pp. 448-453. Cf. Laidler, *op. cit.,* chaps. xvii-xix for a summary of the arguments for and against legalizing the boycott; and Crosby, *Strikes,* chap. xvii.

CHAPTER XVI

VALUE AND LIMITATIONS

1. THE EMPLOYER'S OPINION

ANY doctrine or movement that gets itself designated as an "ism" probably involves a certain amount of exaggeration or overestimation. But unionism has a relatively moderate, middle-of-the-road program which incurs the criticism of both extremes—the ultra-conservatives and the radical socialists—and may therefore be presumed to be somewhere near the right policy for the present time. Mr. Gary assigns to it a purely historical value, and that a doubtful one. He says:

> Whatever may have been the conditions of employment in the long past, and whatever may have been the results of unionism, concerning which there is at least much uncertainty, there is at present, in the opinion of the large majority of both employers and employees, no necessity for labor unions; and no benefits or advantages through them will accrue to anyone except the union labor leaders.[1]

On the other hand, many of the socialists, even though members of unions themselves or seeking to cultivate the good graces of unionists, find it difficult to conceal their impatience with the slow and apparently meager returns from such a policy.[2] Indeed, conservative union leaders like Mr. Gompers and some other persons not so directly interested in the business side of unionism have claimed for it a secondary value as a bulwark against the hot lava of discontent which might otherwise break forth in violent ways.[3] No estimate of the movement would, of course, be complete which fails to con-

[1] Address to stockholders of the United States Steel Corporation, given in New York *Times*, April 19, 1921, p. 9.

[2] Cf. *infra*, ch. xxii.

[3] *A. F. of L. History*, p. 37, *et seq.*

sider not only how completely it answers the needs of the workers but also what are the possible alternatives that lie in wait for us. This is especially the work of succeeding chapters.

Encomiums from employers the unions must not look to have in great numbers. Doubtless, praise from such a source might cast some doubt upon the real effectiveness of their organizations. The average employer looks upon himself as a kind of benefactor in granting employment to so many needy work-people, no matter what the terms; and he does not welcome criticism nor further demands from those already so much beholden to him. When he concedes the right of collective bargaining, he usually does so grudgingly, if not under compulsion; and he is, therefore, not much disposed to advertise the victories of labor. Yet some few testimonials similar to that already quoted from Mr. Schaffner respecting relations with the Clothing Workers, and to the commendation which E. W. Burt of Lynn has given the Boot and Shoe Workers,[1] could probably be collected.

Mutual recognition and respect must precede friendship and brotherly love; and, under the circumstances prevailing in the industrial world, are much more capable of realization. They can spring up only as they have already sprung up in many industries abroad and in some here, from a considerable amount of accommodation and toleration on both sides. A period of friction may be necessary to wear down the bumps of pride and to fill up the hollows of ignorance, so that the various surfaces may play smoothly upon one another. Many American employers have yet to learn the wisdom of adopting a labor policy that will work with some degree of certainty in both fair and foul weather—when business is booming as well as when it is slack, when immigration is reduced as well as when it is unrestricted. If they expect to establish a permanent business, certainly the good will of labor, won by fair dealing and all proper consideration for the desires and sensibilities of the workers, is as important an asset as the good will of customers. Perhaps if advances

[1] Burt, *Shoe Craft and Its Organization* (Boston, 1917), chap. vi.

in wages were more quickly made when conditions warrant, reductions would not be so bitterly combated when they seem necessary. Consultation and some degree of concern for the vested interests of the working-force would eventually induce better co-operation in the use of new machines and new methods. Willingness to deal upon a business basis with representatives of the workers is the best method of encouraging the ascendancy of the more conservative elements and of promoting stability and security in labor matters. The employer cannot elect the leaders of labor, but he can have a large and perfectly legitimate share in their nomination. Considering the spontaneity and persistence of labor organization, little permanent advantage can arise from defying and defeating the union whenever the employer seems to have the upper hand. The best chance to build up real confidence and good will is just when conciliatory methods seem least necessary to the successful operation of the business.

A similar number of injunctions might be addressed to the unions themselves. If they wish to get enterprisers to deal with them they must be able to supply an adequate number of competent and willing men—the best that can be found anywhere for the work in hand. They must perfect and simplify their organization in such a way that the employer may know exactly with whom he is dealing and need not fear jurisdiction disputes. And they must learn to be more scrupulous in the fulfilment of their agreements, even when temporary advantage seems to make it profitable to break them. They must cultivate patience and be ready to exhaust all peaceable methods before declaring war. With all these conditions realized, as they are already in part realized in some industries, one must hold that unionism and collective bargaining upon a broad basis are advantageous even to the employer.

2. SOCIAL VALUE

Producer organizations of any kind, whether of capitalists or of the workers, are hardly to be depended upon always to consult the best interests of society in general. Fortunately,

even though this motive is not a dominant one, the profit which the individual or limited group seeks does most often lie in rendering the best service to the larger group. They serve not always because they would, but because they must. And society has, as yet, developed no adequate substitute for the rivalry of competing producers or of opposing parties in production, as a guarantee of service and of a rough—sometimes very rough—approximation of justice to all. Corporate employers or employers' associations, on the one hand, and unions, on the other, are such rival bodies, through whose relative equality in bargaining power any grievous oppression or exploitation of either capital or labor can be prevented. Thus society gains indirectly from unionism through the just gains and advantages which unionism brings to a large class of its members.

Labor may sometimes appear, as Maurice Hewlett says it does in England, to lack the three senses necessary to good citizenship: civic sense, common sense, and moral sense. But, whether always intending to do so or not, it performs in some fashion several useful functions that would otherwise devolve more heavily upon the state. Omitting to stress the educational value of the discussion of live topics and the training in parliamentary practice, of which there is always a plenty in labor meetings, we may find in any worthy association that widens the intellectual and moral horizon of its members the least bit (even though the cohesive force be chiefly financial instead of altruistic) a certain preparation for the conduct of democratic institutions. The assimilation and Americanization of the adult immigrant have fallen to a considerable extent upon the labor organizations. Labor journals, of which every important union has one, not only help to spread among the membership a certain amount of trade and even technical information, but, if they were more widely circulated and read, would also furnish to the public the "other side of the news," and become a valuable corrective for the deficiencies of a commercialized press. Most of all, however, the union serves the community by raising the standards of living of its constituency—their wages, their

leisure, their health, and their desire to have a share in the benefits of civilization.

It is significant that at least three British investigations into the practices and the legal status of trade unions—those of 1867, 1894, 1906—together with the inquiries of our own Industrial Commission in 1900 and of the Commission on Industrial Relations in 1915 (by no means all of them undertaken in a spirit favorable to labor) have ended by giving general endorsement to collective bargaining and the right of organization. If more were needed to establish the social and economic value, or at least justifiability, of labor unions, we could turn to representatives of that able group of scholars upon whom alone in a busy world we can depend to see things economic and social clearly and see them whole. Mr. and Mrs. Webb have been their ablest interpreters, defenders—and critics—in Great Britain.[1]

Professor Taussig gives labor organizations credit for helping to bring "the general level of wages to the full discounted value of the product of labor in general" and predicts that they "will almost certainly grow to greater dimensions and will enroll a much larger proportion of the laborers." He concludes that, "on the whole, unions are the most effective instrument to which the laborers can themselves turn for bettering their own condition." [2]

Professor Fetter says that "organized labor is here to stay for a long time to come, and as the élite of the wage-earning class it should, and probably will, be an increasing force for political betterment and for social welfare in the republic." [3]

Professor Seligman's views came most forcibly to public attention in his defense of the Amalgamated Clothing Workers in New York. He asks:

> Is it unreasonable to call attention to the general praise which has been bestowed by all students of collective bargaining throughout the country on this system of "Impartial Chairman Machinery" which has been elaborated in the men's clothing industry? Is

[1] Cf. esp. *Industrial Democracy*, part iii, p. 700, *et seq.*

[2] Taussig, *Principles of Economics* (3d ed., New York, 1921), vol. ii, pp. 301, 316.

[3] Fetter, *Modern Economic Problems* (New York, 1916), p. 313.

it wise to eliminate from the New York market the methods which more than any other in the history of the industry have offered such possibilities to the peaceful adjustment of industrial disputes? [1]

3. GAINS TO LABOR

But the advantages of unionism for the employers and the public are, for the purpose of this discussion, at most secondary. It is more vital to weigh its services to the class which it professes to represent. Labor officials themselves, realizing that nothing succeeds like success, have never been at all modest in their claims. Mr. Gompers' voluminous speeches and writings, although usually singularly unhampered by details or facts, consisted almost wholly of praise of what the unions have accomplished.

> The trade unions are the legitimate outgrowth of modern society and industrial conditions. They are not the creation of any man's brain. . . . They are the organizations of the working-class, for the working-class, by the working-class, grappling with economic and social problems as they arise, dealing with them in a practical manner to the end that a solution commensurate with the interests of all may be obtained.[2] . . . And yet trade unionism is the soundest base yet laid for every project that gives promise to the working-class for a firm and solid advance. Moving step by step, trade unionism contains within itself . . . the possibilities for establishing whatever social institutions the future shall develop for the workers as the predestined element in control of society.[3]

To John Mitchell of the United Mine Workers, the trade union was much more than a business organization. It carried with it moral, social, and political results of the highest value, and thus benefited the employer and the public as well as the workingman. "Trade unionism takes labor from the list of perishable articles . . . and gives the workingman a reserve power and to his labor a reserve price." [4]

Richard Bell, former secretary of the railwaymen in Great Britain, declares that trade unions "have done an enormous

[1] Letter to the New York *Times*, February 14, 1921, p. 8. Cf. also *Times*, February 7, 1921, p. 22; Simons, *Personnel Relations in Industry* (New York, 1921), chap. xviii.

[2] *Labor and the Common Welfare*, p. 6.

[3] *Ibid.*, p. 19.

[4] Mitchell, *Organized Labor*, p. 97. Cf. chaps. xiv-xv, xviii-xix.

amount of good for the toiling masses," and contrasts, much to the advantage of the former, the conditions of the men in the engineering trades in the north of England, where all belonged to the union, with those of the same trades in South Wales, where few were in the union.[1]

The reports of union activities annually filed with the American Federation of Labor and the articles appearing in labor papers, leave no doubt but that unionism is the source from which all blessings flow. The Carpenters assert that, as a result of organization, their own members have obtained $15,000,000 more per year in wages, not to mention the gains to non-unionists. They have established the eight-hour day in 1,200 cities, and nine hours in 200, with the Saturday half-holiday in a large number.[2] The Electrical Workers claim that through organization their wages have "increased from $1.50—$2 per day to $1 per hour," and their hours have been reduced from ten to twelve to eight per day.[3] Stationary Firemen credit the union with having won the eight-hour day for 95 per cent of their membership,[4] and the Meat Cutters claim that organization has raised their wages 100 per cent and established the eight-hour day.[5] The Metal Polishers claim an advance of 300 per cent in wages and a reduction of 20 per cent in hours. The Railroad Telegraphers have won the eight-hour day and an advance in wages from $55 to $134.13 per month.[6] The Granite Cutters declared in 1920 that organization had compelled an advance in their wages from $2.50 to $7, and had shortened the working-day from ten to eight hours.[7] In 1921 many unions which could not report any advances during the year found cause for congratulation in the fact that reductions had been prevented. The large sums paid out in benefits to members are likewise

[1] Bell, *Trade Unionism* (London, 1907), pp. 7, 58, *et seq.*, 64-67.
[2] *The Carpenter* (Indianapolis), January, 1922, p. 22.
[3] *Proceedings of American Federation of Labor*, 1921, p. 38.
[4] *Proceedings*, 1920, p. 45.
[5] *Proceedings*, 1921, p. 40.
[6] *Proceedings*, 1921, pp. 41, 42-43.
[7] *Proceedings*, 1920, p. 46. Cf., for the printers, *Typographical Journal*, August, 1920, p. 157, etc.

often presented as a title to credit and praise, both from the membership and from society.[1]

All such statements doubtless partake of that one-sidedness which is generally deemed legitimate in the language of advertisement and propaganda. The wage figures mean little until they are translated into terms of real wages, and until they are compared with the contemporaneous if not exactly corresponding increases that are known to have occurred in unorganized trades. There are plenty of critics who declare that the gains are at best largely an illusion; that higher wages, once obtained, are quickly reflected in a higher cost of living for the workers as well as for everyone else; that high wages and the blind opposition of the unions to all reductions tend to check enterprise and to retard the recovery of business after a depression, so that the loss suffered through unemployment offsets any possible gain from a higher rate.[2]

4. "OTHER GODS"

Even those who believe in the necessity for collective bargaining with unionism as its chief agency, are compelled to acknowledge that it has limitations. That it does not satisfy all the longings and aspirations of the workers, even of unionists, is indicated by the extent of their participation in other movements. The legal handicaps under which it has labored from first to last, and the unfriendly attitude sometimes taken by both the courts and administrative officials, have practically compelled union men in Great Britain and the United States to resort to political methods in aid of the economic. The almost exclusive attention which the unions have given to the relationships of the workers as producers, to the neglect of their needs as consumers, has given ground for the great development of the co-operative movement in Great Britain and for some beginnings in that direction in America. A general acceptance of socialistic doctrines and of a socialist ideal may almost be taken for granted

[1] Cf. *supra*, p. 391, *et seq.*

[2] Cf. especially the monthly letter of the National City Bank of New York, February, 1921, pp. 3-4; March, 1921, pp. 4-6.

in talking with trade unionists of all grades in England. The Railroad Brotherhoods on this side, since they espoused the Plumb plan for joint control of the railways, can no longer be held up as models for conservatism. And the substantial success won by the United Mine Workers has not deterred them from sometimes advocating nationalization of the coal industry. The Machinists, the Bakers, the Cigarmakers, and the Clothing Workers are known to be strongly permeated with radical ideas. The former Brewery Workers and the whole labor movement of Wisconsin have been, for the most part, under socialistic leadership. Milwaukee, Minneapolis, Schenectady, and Haverhill, all of them industrial cities and at least three of them strongly unionized, have even experienced socialistic government.

5. NUMERICAL LIMITS

It may be said that many of these working people have not given business unionism a full and fair trial before submitting to the blandishments of visionary revivalists. Whatever may be the benefits of unionism, they cannot be expected to be fully achieved until a majority at least of the workers are within the fold. Yet after nearly a century of fairly continuous union history and agitation, only a fraction of the working-class is organized. At the peak of union development in 1920, Mr. and Mrs. Webb estimate that "60 per cent of all the adult and manual-working wage-earners" in Great Britain were members, and go on to declare that this, when compared with the 20 per cent organization of 1892, is, indeed, cause for congratulation.[1] But in spite of the great progress made through the efforts of the Women's Trade Union League and as a result of the qualifying provisions of the National Insurance Act, less than 30 per cent of the women wage-earners were organized in 1920.[2] A marked shrinkage in both these figures occurred during the succeeding period of business depression.

In the United States, according to the illuminating study

[1] Webb, *History*, pp. 472-473.
[2] *Ibid.*, pp. 494-497.

made by Dr. Wolman, there was notable improvement in organization between 1910 and 1920; but, even in the latter year only a fractional proportion of all workers were in the unions. In 1910 the percentage of all workers organized was 9.4; and in 1920 it had risen to 18.7. Or, if agriculture is excluded, because unionization is most difficult in that industry, the rate was 10.9 in 1910 and 20.8 in 1920.[1] Only 1.5 per cent of the wage-earning women outside of agriculture were organized in 1910, and 6.6 per cent in 1920.[2] There are, to be sure, certain trades and occupations where organization, although still far from complete, is relatively strong. The mining industry was 41 per cent unionized in 1920, and the United Mine Workers included more than half of those engaged in coal mining. Just half of the bricklayers and stone masons were within the fold; 40.5 per cent of the carpenters; and 33.5 per cent of the plumbers. The printing and publishing industry had also reached a 50 per cent organization. And the Molders' Union included more than two-fifths of the men in the trade. The railroad unions made the best showing of all, with an organization of 56.7 per cent for the steam roads as a whole, and with 72 per cent of the conductors and 73.2 per cent of the locomotive engineers in their respective brotherhoods. Dr. Barnett, in fact, attributes a large part of the increase in union membership from 1917 to 1920 to the growth of the railroad unions, particularly those connected with the American Federation of Labor.[3] Thanks very largely to the rise of the Amalgamated Clothing Workers, the clothing industry was transformed from one of the most poorly organized in 1910 (16.9 per cent) to one of the best organized in 1920 (57.8 per cent); and even 46 per cent of the women in the trade were organized by the latter year.[4]

But there was in 1910, and still is, a woeful lack of organi-

[1] Wolman, *The Growth of Trade Unions, 1880-1923*, p. 85.
[2] *Ibid.*, pp. 105-106.
[3] *Ibid.*, pp. 92-93, 137, 156-157; Barnett, "Present Position of American Trade Unionism," *American Economic Review*, March, 1922, supplement, p. 44, *et seq.*
[4] Wolman, *op. cit.*, pp. 87-88, 106.

zation in those industries dominated by great corporations and trusts, such as the United States Steel Corporation, the American Woolen Company, the American Tobacco Company, the International Paper Company, and the Western Union Telegraph Company. The difficulties and the instability of organization of labor against these great aggregations of capital are illustrated not only in the steel strike of 1919, but in the marked falling off in the membership of the Meat Cutters since the great organization campaign and strike of 1919.[1] If we regard trustified industries as the typical form under modern capitalism, the future of unionism does not appear particularly bright. Similar reflections are inspired by the fact that a great industry like the manufacture of automobiles can arise and remain largely a non-union industry; and that the National Founders and the lithographic industry have apparently both been quite successful in defying unionism. The trials of the machinists have been frequently referred to. They had only an 11.1 per cent organization in 1910, and, while the membership grew tremendously, especially in the railway branch, during the War and reconstruction period, it had again declined almost to pre-war figures by 1923.[2] Machinery, immigration, and minute subdivision of labor are still the employers' best weapons against unionism; and their effectiveness, so often demonstrated, makes one doubt the sufficiency even of such great organizations of the unskilled as have been formed in Great Britain. Can the reserve strength and bargaining power of a union, no matter how large and inclusive, be so much greater than the real industrial importance and financial backing or endurance of the average unit of which it is composed? Effective organization is apparently beyond the reach of large masses of the workers who are the poorest and most in need of help.[3]

[1] *Proceedings of the American Federation of Labor,* 1923, p. 26. From an average paid-up membership of 66,300 in 1919 the union had by October, 1923, declined to about 10,000.

[2] Wolman, *op. cit.,* pp. 41, 159; *Proceedings,* 1923, p. 26.

[3] Cf. Lloyd, *Trade Unionism,* pp. 9-10; Hobhouse, *The Labour Movement,* p. 57; Wolman, *Growth,* p. 91.

6. QUESTIONS STILL UNANSWERED

A review of the grievances presented in Part II of our study and of the answers which unionism attempts to make to them reveals many shortcomings. A fully equipped union is, indeed, able to mitigate the evils of unemployment; but it is not able to overcome the root trouble itself. Business agents act in some measure as employment agencies; traveling loans increase mobility; out-of-work pay serves for those unions which maintain it to spread out wages to some extent over dull periods; reasonable restrictions upon entrance to the trade and upon overtime may help to bring about regularization and to lessen seasonal unemployment. But any general policy of restriction upon admission can hardly solve the problem for those who are left in outer darkness. Attempts to nurse along the job and to prolong employment through various forms of restriction of output are condemned as both shortsighted and dishonest. The causes of unemployment, especially of the cyclical movements in industry, are, in general, so much beyond the control of the workers that any single group cannot hope to reach a solution when acting in its own strength. When one of the great depressions comes the average labor organization is doing very well if it can keep alive.

In the matter of safety, health, and superannuation, the case for the unions is doubtless somewhat better. Shorter and more regular hours of work make labor more safe, and help to prevent the undermining of health and the tragedy of premature old age. And although probably an actually larger number of workers—those in trades where women and children are employed—have obtained this boon through legislation, it remains in many trades like those of the printers, the bakers, the barbers, and the musicians, one of the clearest and more important gains that have come from collective bargaining. Sick and disability insurance and pension plans maintained by the stronger unions do answer a real need of the members, at the same time that they strengthen the

organization itself. But payments are commonly small even where they exist; and there is a growing conviction that provision for such risks belongs not to the workers, but to the industry or to society in general. There has been a surprising absence from collective agreements of all provisions looking to the prevention of accidents and to the improvement of sanitary conditions in factories and shops. Apparently, the unions have not usually considered these as a part of their task. Real safety campaigns and serious concern for the workers' health have awaited workmen's compensation laws and compulsory health insurance.

By hastening an upward revision of wages and helping to secure for labor a more just share of the joint product, the unions have, indeed, cut off an illegitimate source of profits, and have tended to check the growing concentration of wealth. But none of the proposals of the ordinary business union seeks to correct those inequalities in wealth and in opportunity which are inherited from the past. The power of capital in its dealings with labor may be less absolute; but the sacredness of private property, however obtained, is not seriously questioned. Such limited success as the unions have had in restricting entrance to their own ranks is itself monopolistic and certainly not in keeping with the doctrine of equal opportunity for all. Neither can we hope that the labor press nor the other educational efforts of the unions, affected as they necessarily are with a bias and still so limited in the range of their influence, will speedily offer an adequate safeguard for freedom of speech and of the press.

But we do not reject a tool or a method just because we recognize that it is not equal to all needs and contingencies. Rather we attempt to improve it so far as possible, and to supplement it with other devices. So with unionism. It has proved a "shield and buckler" to large groups of the workers in times past. It is capable of much wider extension both horizontally and vertically. Its structure and its policies can be more fully reconciled with the conditions and requirements of present-day industrial organization. Doubt-

less Mr. Gompers was right in claiming that it offers the proper foundation and drill ground for all future plans and endeavors of the workers. And there is a growing disposition to supplement it with political action and with consumers' co-operation.

PART IV

LABOR POLITICS

CHAPTER XVII

THE LABOR VOTE

1. THE ROLE OF POLITICS

Politics and politicians, at least in America, are to-day in rather bad repute. And party contests, in spite of the vigor and zeal with which they are carried on, are often regarded as little more than an autumn sport. Yet, with all its imperfections, politics, chiefly through the party system, is, and must to all appearances remain, the agency by which the affairs and functions of democratic government are directed and controlled. And, whether we like it or not, government affects our lives more and more intimately as time goes by. Its mechanism is becoming ever more complicated and the services which it is called upon to perform ever more varied and numerous. Formerly it was thought of as a policeman; and probably that still remains its chief rôle, only that the policeman himself has expanded his sphere of operations and is now striving to regulate many new relationships in a much more minute fashion than heretofore. Not satisfied with trying to prevent a man from killing his fellows by the use of a gun or a knife, the law has been called in to prevent him from accomplishing the same dastardly act by selling adulterated food or maintaining unsanitary tenements and dangerous work-places. Not content with trying to catch the ordinary thief and the robber, we are now attempting to protect the consumer from exploitation by the trusts. And not stopping with the abolition of chattel slavery, we are looking to the state to insure greater leisure and freedom to those who are economically so dependent as not to be able to defend themselves.

Undoubtedly the measures taken toward these ends are still

meager and inadequate. They are only beginnings; and no group or interest can say that it has obtained all that it wanted. But the hypothetical investigator from Mars who should be presented with copies of the revised statutes of the state and federal governments and of the acts of Parliament would have no difficulty in determining that these two countries are democracies in which all classes of people have a voice in legislation.[1] Probably, therefore, we should join with Dr. Crothers in saying "a good word for politicians."[2] Party loyalty is, indeed, a sentiment much lower than true patriotism; and in this, as in other countries, the struggle for party advantage has often delayed rather than promoted measures that were in the public interest. But the politician is a representative man and, especially when guided by an intelligent public opinion, proves a useful beast of burden. Often without any well-settled convictions of his own to offer resistance, he makes the better conductor or register of the different forces—some progressive, some conservative—which play upon him. Thus he serves as a harmonizer or evener between the hopelessly radical and visionary idealist, on the one hand, and the reactionary individualist on the other; or, quite as often, between the selfish rival interests of different groups or classes. And he gets something done.

2. THE IMPORTANCE OF VOTES

The influence which the workers have been able to exert upon politics and legislation has depended ultimately, of course, upon the possession of the ballot. Wealthy capitalists and large corporations may have been able greatly to extend their power through campaign contributions or other more

[1] More than ten years ago the United States Bureau of Labor compiled the *Labor Laws of the United States* (*Bulletin* no. 148, Washington, 1914), in two huge volumes. Each legislative period since has seen a large sheaf of new measures, many of them, fortunately, amendatory in character. The laws of the states relating to workmen's compensation alone comprise a volume of considerably over a thousand pages (*Workmen's Compensation Legislation of the United States and Canada,* United States Bureau of Labor Statistics, *Bulletin* no. 272, Washington, 1921).

[2] Crothers, "In Praise of Politicians," *Atlantic Monthly,* vol. cvi (1910), pp. 175, *et seq.*

or less corrupt means; but this temptation has not ordinarily come to the wage-earners. Demonstrations of a more or less violent and revolutionary sort have sometimes been resorted to in the struggle to obtain the suffrage, and at other times when governments have seemed particularly hard of hearing. Unions with syndicalist leanings, as, for example, the miners in Great Britain after the failure of the Lloyd George government to adopt the recommendation of the Sankey Commission for nationalization, have occasionally used the economic weapon of the strike to advance essentially political ends. But no great number of English-speaking workers would sanction such methods, when the right to vote had been granted, and orderly, constitutional means of redress are open.

There are three points or stages in the shaping and determination of governmental policy where pressure may be brought to bear. The first of these is in the organization and activities of each party, in the nomination of candidates, and, probably of less importance, in the drafting of platforms. Formerly, this was wholly an extra-legal process; but more recently a large proportion of the state governments have chosen to intervene and have established some form of direct primary, the purpose being to induce greater popular interest and participation in this really vital process in the conduct of democratic institutions. The second chance for expression is naturally in the elections themselves, determining which of the more or less incompetent persons nominated for an office shall be chosen. And the third stage is in the actual course of legislation or executive action, getting the right bills drafted and introduced by friendly members, watching them along their perilous course to and through committees, and, if possible, stirring up enough interest and mustering enough votes to "put them across." Here is the place for the lobbyist or legislative agent, for the letters and telegrams from "back home," and for the learned editorial comments of supposedly influential papers. The ministerial system in Great Britain considerably restricts the scope of "private member bills," and may somewhat alter the procedure; but the three steps remain.

It is apparent even to a novice in the political game that what really counts in a democracy is *votes*. Other things being equal, a party leader or legislator is willing to tolerate argument and reason, and may be affected by an emotional, humanitarian appeal; but he is much more concerned about whether the people are ready for a particular measure and are really demanding it. The blandishments of the professional lobbyist have been toned down somewhat of late years, but in any case, unless they are backed up with votes, they can have little weight with a member who likes his job and who wishes to come back again. Labor legislation in both England and the United States did not really begin until the workers had the right to vote, and it has always been backward where labor is in a hopeless minority, or where there is not direct responsibility of the legislators to the voters.[1] The ballot is the thing wherein we catch the conscience of the politician.

Labor politics thus represents a method quite distinct from unionism, and relies upon a different weapon. The ends to be accomplished are often the same and the unions or union leaders may try to use their organizations and positions to further political or legislative purposes. But whereas the power of the union in collective bargaining depends, as we have seen, not wholly upon numbers but upon the skill, productivity, and real economic importance of its members as a group, the political power of labor rests almost wholly upon the number of votes it can promise and deliver. This, as we shall note more specifically later, has both its advantages and its weaknesses. Potentially, it gives to labor, as the largest class in the community, a great influence over public affairs, since the ignorant, unskilled laborer presumably counts for just as much at the polls as the plutocrat or the college

[1] A monarchial government, like Germany under Bismarck and the Hohenzollerns, may be prompted to social legislation of various kinds either by fear of revolution—the growth of the socialist movement—or by an enlightened recognition of the value of such measures for national strength and efficiency. The District of Columbia can rely with some confidence upon the benevolent rule of Congress because congressmen are naturally interested in the affairs and welfare of the community in which they themselves reside for the greater part of the year.

professor. It is a power to which, as already pointed out, the workers have been wont to turn when hard times come and their economic position is especially weak.

3. HISTORY OF THE SUFFRAGE IN AMERICA

Universal manhood suffrage was achieved in America much earlier than in Great Britain. But it was far from being an original feature of our form of government, as a romantic patriotism might lead us to suppose. The fathers were quite willing to affirm as an abstract proposition that "all men are created equal" and that "they have certain inalienable rights, among which are life, liberty, and the pursuit of happiness." In the older communities, however, they had inherited a heavy burden of aristocratic custom and law which the monetary excesses of the Revolutionary period had not helped to eradicate. The Constitutional Convention of 1787 itself represented only a part of the people. The small farmers and the mechanics were practically without voice in its election; and the leaders of the Convention were only dissuaded from embodying in it property qualifications for both voting and office-holding, through inability to decide whether personalty or realty should be favored. They contrived to prevent one class from encroaching upon the rights of another through the limited powers granted to the federal government, through the "check and balance system," and through the difficulty of amendment; and, having done so much, left the rest to the states.[1]

The American colonies had adopted property qualifications for the suffrage similar to those then prevailing in English county and borough government; and these were largely carried over into the state constitutions when they became independent.[2] Most of these restrictions seem to us now small and insignificant; and property in a new country, particularly landed property upon which most emphasis was laid, was fairly evenly distributed. But Professor Beard thinks

[1] Beard, Charles, *An Economic Interpretation of the Constitution of the United States* (New York, 1913), esp. chap. vi.

[2] McKinley, *The Suffrage Franchise in the English Colonies* (Philadelphia, 1905), pp. 482-487.

that a large proportion of the adult males were thus actually excluded from participation in elections—that in New York, for example, about one-third were thus disfranchised.[1] Certainly, the requirements for office-holding easily placed that boon beyond the reach of the ordinary workingman.

How far the abolition of such restrictions and the gradual establishment of universal suffrage were due to pressure exerted by the disfranchised classes themselves; how far it was the outcome of those "dangerous" theories respecting equality and the "consent of the governed" which Jefferson had disseminated during the Revolution, and which had been further spread abroad by the French Revolution; how far it was one of the inevitable effects of frontier life as represented in Jacksonian Democracy; and how far it was the work of shrewd politicians and the result of party rivalry, it is now impossible to determine. All of these factors undoubtedly had a part; and the probability is that their relative importance was about the reverse of the order in which they have just been named.[2]

Vermont had never had any property qualifications. New Hampshire got rid of hers in 1792. Delaware removed part of her restrictions in the same year; and South Carolina and Georgia greatly reduced the requirements for holding office. The newer states, with the exception of Tennessee, were practically democratic with respect to the suffrage when they were admitted.[3]

But in some of the older states with large cities and considerable industrial importance—New York, Massachusetts, and Rhode Island—conservatism made a last stand. In the constitutional convention held in New York in 1821, Chief Justice Spencer urged the retention of property qualifications for the election of state senators, because that body was intended to safeguard the interests of property generally and

[1] Beard, *op. cit.*, pp. 67, 71.

[2] Cf. Lecky, *Democracy and Liberty* (New York, 1896), vol. ii, p. 72; Beard, *Economic Basis of Politics* (New York, 1923), pp. 82-88; Seymour and Frary, *How the World Votes* (Springfield, Mass., 1918), vol. i, chap. xi; Porter, Kirk, *A History of the Suffrage in the United States* (Chicago, 1918), esp. chaps. iii-iv.

[3] McMaster, *Rights of Man in America*, pp. 47-48; Porter, *op. cit.*, chap. ii.

of landed property in particular. And the eminent Chancellor Kent predicted that universal suffrage would jeopardize the rights of property and the principles of personal liberty.[1] Josiah Quincy and Daniel Webster expressed similar misgivings in the Massachusetts convention of 1820-21.[2] But in both states the warnings went unheeded, and substantially complete manhood suffrage was granted at this time. In Rhode Island, however, where the original distribution of political power strongly favored the land-holding class as against the towns, it took more than two decades longer and, in 1842, an approach to revolution, before some semblance of democratic control could be secured.[3]

By the end of the Civil War period substantially complete manhood suffrage prevailed in all of the states. Negroes, however, after the painful orgies of "reconstruction" years, have again been disfranchised in the South, chiefly through tax-paying and literacy requirements. Some nine states in the Union still make the payment of a poll tax a prerequisite of voting; and Pennsylvania still insists upon the old-fashioned tax-paying test.[4]

Labor itself has had a share in promoting two other suffrage reforms. Both the Knights of Labor and the American Federation favored the adoption of the Australian or secret ballot system in 1888 and following years because they realized that it would safeguard the worker from some of the grosser forms of intimidation that had previously been practiced.[5] Susan B. Anthony, Elizabeth Cady Stanton, and other woman suffragists were admitted to the congress of the National Labor Union in 1868.[6] The Knights of Labor were doubtless prompted by something more than chivalry when they re-

[1] *Proceedings and Debates of the Convention of 1821* (New York), pp. 217-222.

[2] *Journal of the Debates and Proceedings in the Convention of Delegates, 1820-1821,* p. 250; Tefft, *Webster's Orations,* p. 105.

[3] Richman, *Rhode Island* (Boston, 1905), pp. 286-290, 305-307; Frieze, *Extension of Suffrage in Rhode Island, 1811-1842* (3d ed., Providence, 1912), chaps. iv, xx.

[4] Seymour and Frary, *op. cit.,* vol. i, p. 254, *et seq.*

[5] Wigmore, *Australian Ballot System* (Boston, 1889), pp. 22-36; *Proceedings of American Federation of Labor,* 1888, p. 26; 1889, pp. 11, 16-19.

[6] Andrews in Commons, *History,* vol. ii, p. 127, *et seq.*

peatedly endorsed the woman suffrage movement.[1] And from 1890 until the final victory in 1919 the American Federation urged this extension of the right to vote as a cause in which labor was vitally interested.[2]

Some complaint is still heard that labor, especially the migratory laborer, suffers a handicap politically in the residence requirements of the various states.[3] The common requirement is one year's residence within the state; but Rhode Island and seven southern states demand two years. This source of inequality would seem to be at least partially on the way to being remedied through provisions already adopted by several states permitting absentee voting.

4. THE SUFFRAGE IN GREAT BRITAIN

The high peaks in the history of the suffrage in Great Britain are the Reform Acts of 1832, 1867, 1884, and 1918. But of quite as much significance were the years of agitation before and between.

The Reform Act of 1832 was a partial and belated recognition of the extent to which, with the introduction of the factory system and the growth of great industrial centers, the old system of representation for the landed and some of the commercial classes had been outgrown. It was preceded by many years of agitation and protest, in which the middle classes were glad to have the workers participate for noise-making purposes. But in the Act as finally passed there was nothing of value for the working people. The result was rather a triumph for the manufacturers and merchants, and the dominion of *laissez faire* doctrines. For what little factory legislation there was passed during the next thirty years, leadership had to come from men like Oastler, Sadler, and Lord Shaftesbury, who were Tories of the old régime.[4]

[1] Anthony, Susan B., and Harper, Ida Husted, (eds.), *A History of Woman Suffrage*, vol. iv (1883-1900) (Rochester, N. Y., 1902), pp. 123, 184, 568.

[2] *Proceedings*, 1890, p. 29; 1892, p. 39; 1917, p. 418, etc.; *A. F. of L. History*, p. 367.

[3] Tridon, *New Unionism*, pp. 14-15; "How Far Are Socialists Disfranchised?," *New Review* (New York), June, 1914, p. 379.

[4] Rosenblatt, Frank, *The Chartist Movement* (*Columbia University Studies*, vol. lxxiii (1916)), chaps. i, iv; Seymour and Frary, *op. cit.*, pp. 113-131.

The Chartist movement of the late thirties and the forties was a working-class agitation for the suffrage. It took its name from the "People's Charter," first drawn by William Lovett in 1836 as a statement of the aims of the London Working Men's Association, and, after endorsement by many similar groups elsewhere, formally published to the world in 1838. It demanded from Parliament: (1) equal representation, (2) universal suffrage, (3) annual sessions of Parliament, (4) no property qualifications, (5) vote by ballot, and (6) payment of members.[1] The movement came to be divided into two sections with regard to methods of conducting their campaign, the "Moral Force" section led by Lovett and Hetherington, and the "Physical Force" section represented by Stephens, Taylor, Harvey, and, upon occasion, Feargus O'Connor himself. The former devoted itself to the preparation and the presentation to Parliament of monster petitions; and three such petitions, each longer and with more signatures than the one before, were submitted during the active history of the movement. In each case they were rejected by heavy majorities in Parliament; and the last, in 1848, contained some irregularities and was practically laughed out of court. The "ulterior measures" proposed by the Physical Force section and tried from time to time in the Midland and Northern counties and in Wales came as near to revolution as it is apparently consistent with the British temperament to come. But they resulted only in numerous arrests, imprisonments, and sentences to transportation.[2]

After 1848 Chartism practically passed from the stage. Improved business conditions, the rise of trade unionism to give to labor some measure of protection, the repeal of the Corn Laws, which had been one of the major grievances, and the passage of some factory laws even by an unreformed Parliament, all combined with the vagaries of O'Connor to bring about a decline. But, none the less, the movement was not

[1] Rosenblatt, *op. cit.*, chap. vi and appendix A.

[2] Beer, *History of British Socialism* (London, 1919, 1921), vol. ii, chap. i and pp. 44-48, 68-81, 170, *et seq.*; Slosson, *Decline of the Chartist Movement* (*Columbia University Studies*, vol. lxiii (1916)), esp. chap. ii; Rosenblatt, *op cit.*, chaps. xi-xii.

without its permanent influence, even though its fruits ripened late. Dr. Slosson calls it "a very impressive chapter in history," and "the most formidable single movement of the working-class that England had yet known." [1]

The Reform Act of 1867 is one of the best examples in history of the way in which party rivalry, in response to an aroused public sentiment, may work for the cause of democracy. Gladstone, who came more and more into the leadership of the Liberals after the death of Lord Palmerston in 1865, was aristocratic rather than democratic in his original outlook; but he had in ample measure that sixth sense and willingness to conform to the inevitable which is a necessary part of the equipment of a public man. The Reform Bill which he and Lord John Russell felt it desirable to put forth in 1866 was not in any sense a radical measure; but, even so, it was defeated by the defection of a small group of Palmerstonian Liberals commonly known as "the Adullamites." Disraeli and Lord Derby, into whose hands the government fell, could certainly not be expected to be more liberal than their Liberal opponents. But they seem to have realized that something must be done to placate popular clamor; and to have conceived the notion that, by going the Whigs one better, they could win the everlasting gratitude of the newly enfranchised classes and strengthen the Conservatives. Hence the Reform Bill which Disraeli introduced in the House of Commons in 1867, and which was freely amended before its final passage. The appeal which, in turn, was most influential in getting it through the House of Lords was: "Don't you see how it has dished the Whigs?" [2]

But this act was in no sense a finality. It practically doubled the number of those eligible to the borough franchise; but it left the county constituencies, which were often as completely urban as the boroughs themselves, still much restricted in the matter of voting. By the Franchise Act of 1884, Gladstone's government removed this anomaly; and by

[1] Slosson, *op. cit.*, pp. 170-172. Cf., also, chap. v.

[2] Park, *The English Reform Bill of 1867* (*Columbia University Studies*, vol. xciii (1920)), *passim*.

three other acts passed during the same period—the Ballot Act of 1872, establishing the Australian system of voting; the Corrupt Practices Act of 1883, regulating the expenses of candidates; and the Redistribution Act of 1885, which based representation roughly upon population—they helped to increase the leverage which labor could exercise in public affairs.[1]

Many and grievous forms and sources of inequality yet remained. Among them were: the long period of residence required, the infrequency of registration dates, the requirement that all rates must be paid before election, the privilege of plural voting allowed to propertied persons, the failure to provide for a periodic redistribution of seats, the premium put upon wealth in making a campaign and "nursing" a constituency, the complete disfranchisement of women, and, not least of all, the continued power of the House of Lords as a bulwark of privilege.[2]

The Conservatives, who were in office most of the time for the twenty years following 1885, showed by their disregard of the suffrage issue and their absorption much of the time in imperialistic designs and problems that they were not proof against backsliding. When the Liberals returned to power in 1906 the question of further franchise and electoral reform quickly resolved itself into one of dislodging or reforming the House of Lords. This was largely accomplished by the Parliament Act of 1911. But the Reform Bill of 1912-13, in turn, became complicated with the question of woman suffrage upon which neither party could speak with a clear voice. Then the Great War broke upon Europe.

The War, however, helped to clear the atmosphere. It showed the worth of women in national affairs; a more democratic spirit came, at least for a time, to prevail; and the parties, which had learned to co-operate in the War itself, found that they could also unite upon some measures of internal reconstruction. The Representation of the People Act of 1918 was the outgrowth of a non-partisan conference, and

[1] Seymour and Frary, *How the World Votes*, vol. i, pp. 138-139, 142-145.
[2] Cf. Seymour and Frary, *op. cit.*, vol. i, chap. vii.

was a far-reaching reform indeed. It practically doubled the electorate; it greatly decreased the evil of plural voting by requiring a uniform election day and permitting only a dual vote under certain conditions. It remedied the inequalities arising out of residence requirements and registration dates, provided for redistribution of seats, and put official election expenses upon the government instead of upon the candidate. The minimum age of thirty fixed for women voters, it is true, gives them and the Labor Party something still to work for. But few will deny that Great Britain is now a democracy.[1]

[1] Morris, *Parliamentary Franchise Reform in England from 1885 to 1918* (*Columbia University Studies*, vol. xcvi (1921)), chaps. ii, vii, ix; Seymour and Frary, *op. cit.*, chap. viii; *Report of the Twenty-first Annual Conference of the Labour Party, Resolutions*, p. 9; *Twenty-second Annual Conference* (1922), p. 101, etc.

CHAPTER XVIII

CLEARING THE PATH

1. GENERAL SCOPE OF LABOR POLITICS

THE fact that there has already been one Labor government in Great Britain, and that American labor is taking an increasingly active part in elections, shows that faith in "the method of legal enactment" is still strong.

The exact degree of labor's influence upon politics and legislation cannot be estimated. The huge proportions reached by the compilations of labor laws published from time to time by the United States Bureau of Labor Statistics would seem to indicate that its voice had been potent. Many of its demands have, to be sure, been aided and abetted by friends and interests from other groups.

It is not difficult, however, to determine what measures labor has supported, and to see in what directions they tend. They are roughly divisible into three main classes:

1. Defensive or permissive—intended to remove certain political and legal obstacles and disabilities from which the workers have suffered either as individuals or in their organized capacity; to prevent the establishment of any new restrictions upon their efforts, and, in general, to give all branches of the movement a freer hand. Here would come attempts to bring about the repeal of all legislation and to overcome all decisions of the courts which tend to hamper the formation and conduct of labor unions; the opposition to compulsory arbitration of labor disputes and kindred systems; and all efforts to liberalize and to make more responsive our constitutional and political machinery.

2. Regulatory or restrictive—analogous to the more positive aims of unionism—intended to limit the arbitrary power

of employers, and to improve working conditions by calling in the aid of the law.

3. Collectivist or revolutionary in the less violent sense—proposing in varying degrees to do away with the profit system, and to replace the present mode of production with public ownership and management. This constitutes the special domain of the political or state socialists.[1]

2. UPHOLDING UNIONISM

Both in Great Britain and in America, labor politics has been chiefly undertaken and carried on by existing economic organizations—principally by and on behalf of the unions, but of late in Great Britain to some extent also by the co-operative societies.[2] Indeed, the primary cause for the entrance of labor into politics and the subject which, until redress has been obtained, has occupied the most prominent place in its bill of grievances have been what labor regards as unwarranted interference by the government—especially by the courts—with the right to organize and to practice collective bargaining. It has been estimated that 99 per cent of the membership of the British Labor Party is made up of unionists. Even under its revised constitution, which is more hospitable to non-manual workers, the unions will continue to constitute in both numbers and resources the backbone of the movement. Other constituent groups, like the I. L. P. and the Fabian Society, while important for their intellectual influence, are negligible in point of numbers. So in the United States, the expression of the political aspirations of labor has been chiefly sought through the great central bodies, local, state, and national—formerly the Knights of Labor, now the American Federation and its branches. This means that the legislation demanded has always been largely colored by trade union ideas and purposes, has, in fact, been mainly such as would defend and promote union methods and policies.

In both countries, too, there has been no lack of the neces-

[1] *Infra,* chap. xxiii.
[2] *Infra,* pp. 563-564.

sary provocation. Unionism, as we saw in an earlier chapter, was formerly expressly forbidden by law, was a long time in getting legal recognition and protection, and has ever since been repeatedly threatened by court action with the loss of its favorite weapons. British labor because of its more complete organization, because of the greater responsiveness of the government under which it lives, and, perhaps, because the issue there was more clearly drawn, has achieved a more complete emancipation from legal handicaps than has American labor. Having now obtained a firm foundation for both its economic and its political operations, it is prepared to make rapid advancement. Yet its fight has been a long one and its victory of but recent date.

Probably labor itself cannot claim credit for the repeal of the Combination Acts in 1824. These acts, which were really a survival from the Middle Ages, but which had been confirmed and made general by the legislation of 1799 and 1800, were most flagrant examples of unfair, unequal, class control. So long as wages, apprenticeship, and all the other relationships of commerce and industry had been regulated by law or by the justices of the peace, these had been in harmony and of a piece with the rest. But after the Industrial Revolution, when such protection as the law could give to labor had been almost completely removed or ignored, and particularly when employers were able to conspire and combine with impunity, these acts were an unjust anomaly indeed. Such trade clubs and unions as existed in 1799-1800 had petitioned and protested against the action threatened; but, in the absence of any real political power, their efforts were vain.[1] The acts, as has been seen, were not generally enforced, especially in times of prosperity such as prevailed during the Napoleonic Wars, nor against many of the older skilled trades. But their intermittent use and the severe penalties sometimes inflicted by "Bloody Black Jack" Silvester and his kind were grievous enough.

Francis Place, through the completeness of the record which he left, has perhaps ensnared the historians since, somewhat

[1] Webb, *History*, pp. 69-74.

as he did Parliament at the time; but Mr. and Mrs. Webb and his biographer give him and Joseph Hume unstinted praise for the way in which in 1824 they packed the Parliamentary committee of inquiry in the first place, then marshaled their witnesses and questions and facts so that only a favorable report was possible, and finally pushed the repeal bill through so slyly that few inside or outside of Parliament realized just what had happened.[1] This much can be said for the workingmen, that in this process of securing their freedom they were pliable and willing material in the hands of their two friends, and that, once having obtained it, they were ready to fight for its retention. When in 1825 the ministry and the employers became awake to the situation and sought to restore the shackles, the unions sent in petitions and gave testimony in such numbers and with such pertinacity that they prevented any but a moderate bill being passed. The net result of the Acts of 1824 and 1825 was that the right of collective bargaining was definitely recognized.[2]

When, however, after about 1860, the unions began to grow strong and troublesome, and particularly when the public had been shocked by several atrocious acts of violence in connection with labor disputes, there came a new threat to their existence. In fact, the rights and privileges of any voluntary, unincorporated association were so uncertain that they rested largely upon public sympathy or tolerance, and were quite open to attack as soon as these were lost and their general beneficence came to be questioned. A considerable number of unions had registered under a clause of the Friendly Societies Act of 1855, and had thereby supposedly secured protection for their funds and the right to have disputes among their members dealt with by the magistrates. But this all depended upon whether their purpose was regarded as legal or not. And in 1867 the Court of Queen's Bench, in a case appealed to it, held that trade unions, being in restraint of trade, were illegal and hence could not come under the Friendly Societies Act. This meant that the funds of the unions, which under the

[1] Webb, *op. cit.*, p. 96, *et seq.*; Wallas, Graham, *Life of Francis Place.*
[2] Webb, *op. cit.*, pp. 106-108.

new policy favored by the Junta had become very considerable, were now placed in jeopardy, and that in other respects also they had no rights that could claim respect before the courts. They were outlawed.[1]

In the fight, covering nearly a decade, to secure legislation that would overcome the effects of this decision, the Junta, made up of the chief officers of five big unions with headquarters in London, came into its own. It took the lead itself, but had the good sense to call in the assistance of able middle-class defenders—Frederic Harrison, Professor Beesly, Thomas Hughes, and Henry Crompton. The first effort was to secure a fair and, if possible, a favorable report from the Royal Commission which had been called into being by the Sheffield outrages, and thus to counteract the adverse public sentiment that underlay the whole trouble. Some concessions were obtained from the government in the composition of the Commission; and Frederic Harrison was made the special representative of labor. The case for the unions was presented in such a way as to emphasize the sanity and helpfulness of the leading organizations, and to make the petty warfare of the small local unions drop into the background. Mr. Harrison not only proved a great help in the conduct of the inquiry, but in the minority report he worked out one of the earliest and best statements of the principles of unionism. He also drafted concrete amendments to the law which he thought would enable the unions to beat that narrow and difficult course between the defenseless outlawry which now threatened them, and the full legal liability which would involve them in constant litigation and trouble. The general effect of the Commission's report was greatly to increase the fund of information available respecting unionism and to bring about a more favorable attitude toward it.

But it was a more difficult matter to get Mr. Harrison's proposals adopted by a Parliament that on both sides was strongly biased in the direction of the employers, and whose political economy was that of the Manchester school. It quickly became evident that only persistent agitation and

[1] Webb, *History*, pp. 257-262.

the use of the recently extended suffrage would bring results. When the Liberal Ministry realized from the interest shown in a bill presented in 1869 by A. J. Mundella and Thomas Hughes that they could not wholly evade the issue, they passed a temporary measure at the next session. But the bill which they finally brought in embodied a conception of labor organization which has always been prevalent in conservative circles. It legalized unions, but practically forbade them from doing anything. Meanwhile, court decisions were justifying the worst fears of the unionists by sending men to prison under the law of conspiracy for peaceful picketing. As finally passed in 1871, the measure was divided into two: one legalizing the unions as such; the other, known as the Criminal Law Amendment Act, preventing them from using any form of coercion. Upon this legislation the Gladstone government took its stand, and there it stuck for four years.

Further court decisions, especially the imprisonment of the London gas-stokers in December, 1872, for merely preparing to strike, served to arouse the trade union world. At the general election of 1874, for the first time in union history, an active political canvass was made; candidates of the old parties were questioned; and thirteen independent labor candidates were nominated. The promises made by the Conservatives, who were out of office, were considerably more favorable than anything that could be extracted from the Liberals, who were in office. The campaign was complicated by other matters as all campaigns are likely to be. But whatever the share which labor had in the overturn, there was a change; and it was confidently expected that the obnoxious Criminal Law Amendment Act would be promptly repealed by the new Parliament. Alexander Macdonald and Thomas Burt of the Miners as the first labor members were there to see it done. Some further delay was accomplished through the device of another commission; but the Conspiracy and Protection of Property Act of 1875 and the Trade Union Act of 1876, passed by a government which was at heart probably no more sympathetic toward labor than its predecessors, seemed to satisfy all union demands.

No act committed by a group of workmen was henceforth to be punishable unless the same act by an individual was itself a criminal offence. Collective bargaining, in short, with all its necessary accompaniments, was, after fifty years of legislative struggle, finally recognized by the law of the land.[1]

The trade unions now certainly supposed that they had wrenched themselves entirely free from the tentacles of the octopus. But one still remained—or rather the monster seemed to have a marvelous capacity to grow new ones, and, after a long period of comparative quiescence, to return again to the attack. The decision of the Law Lords in the case of the Taff Vale Railway against the Amalgamated Society of Railway Servants in 1901 declared a union liable for damages done in the course of a strike, and placed unionism in as great peril as ever before.

There is a trace of propaganda in most of the accounts of this event.[2] The truth is that in both England and the United States a significant development in the concept of property rights was taking place during the latter part of the nineteenth century; and that such a decision might, from a legal viewpoint, be very plausibly defended as only a logical application of the doctrine of good will as a business asset, and of the expanded law of agency, to the relationships between labor and capital.[3] In fact, the Taff Vale, judgment had been anticipated in a number of cases where the officers of unions had been held individually liable (certainly less justifiable than to hold the bodies which they represented liable), and in some other cases, not carried up to the highest court, where actions had been maintained against unions as such. The fact that they or any other association of individuals for a

[1] Webb, *History*, p. 291. Cf. also *ibid.*, pp. 262-291; Howell, George, *Labour Legislation, Labour Movements, and Labour Leaders* (2d ed., New York, 1904), chaps. xxiii-xxiv.

[2] Mr. and Mrs. Webb, upon whom we have depended so largely hitherto, while in the text they emphasize the plain violation of the intention of the Acts of 1871 and 1876 which was involved in the Taff Vale decision, include in a footnote (pp. 601-602) the statement, backed by reasoning and the citation of cases, that "It does not appear that in the strictly legal sense the Taff Vale judgment was unwarranted."

[3] Cf. Commons and Andrews, *Principles of Labor Legislation* (1916), pp. 95, *et seq.*, 122, *et seq.*

common purpose were unincorporated was no longer considered as necessarily exempting them from suit.[1] The oppressive character of the decision lay, therefore, not in any base discrimination against labor, but in that it threatened to destroy liberties that had already been enjoyed for a quarter of a century, and to prevent the use of collective bargaining upon which labor must depend in order to overcome a real inequality. Certainly, its intimidating effect during the years immediately following is apparent from an analysis of strike statistics.[2]

Dire as the situation seemed at the time, British labor has come to regard the Taff Vale decision as a blessing in disguise. More than any other single thing, it gave new vitality to the movement for labor representation which had been definitely launched by the Trades Union Congress the year before. The number of unions and trades councils affiliated to the Labor Representation Committee more than doubled within a year. There seemed no question but that the thing to do was to secure a statute law that would counteract the "court-made" law and restore the security of the unions. The Conservative government proving obdurate, the Committee had to await the next general election, meanwhile perfecting its organization and taking advantage, with some favorable results, of the by-elections. At the general election which came early in 1906 they ran fifty labor candidates, of whom twenty-nine were elected; and besides secured pledges enough from old party candidates so that the new Liberal Ministry was forced, after some parleying, to meet their demands and to pass the Industrial Disputes Act in the same year. With such laurels upon its brow the Labor Representation Committee became the Labor Party.[3]

The Industrial Disputes Act of 1906 specifically exempts trade unions from any civil suit for acts committed in their behalf. It removes all doubts as to the legality of strikes,

[1] Webb, *op. cit.*, p. 602.

[2] *Ibid.*, p. 603.

[3] Humphrey, *History of Labour Representation*, chaps. x-xi; MacDonald, J. R., *A Policy for the Labour Party* (London, 1920), pp. 19-28; Webb, *History*, pp. 604-606.

boycotts, and peaceful picketing. It relies for the protection of all parties concerned solely upon the individual liability, both civil and criminal, of each person that commits a wrongful act, upon the equal right of employers to organize and to oppose the excessive demands of labor, and, of course, upon the power of public opinion.[1] That should be enough.

We might suppose, and doubtless its political opponents hoped, that, having been guaranteed so much, the political activities of labor would cease and that it would be quietly reabsorbed into the old parties. But such was not the case. The Osborne judgment, already discussed, kept it on its mettle for several years; and the events of the War and of reconstruction were not such as to increase its confidence in the rule of others. The unions were prevailed upon for patriotic reasons to surrender most of their hard-won standards and regulations during the continuance of the struggle, and the Coalition government failed or was unable to restore the *status quo ante bellum*. An Emergency Powers Act was passed in 1920, giving the government such absolute powers during strikes in public service industries that its possible use by an unfriendly administration has caused grave concern to the workers.[2] Thus the whole trend has been not only to make labor more conscious of its power and importance, but to show the necessity, even upon purely defensive grounds, of exercising the political arm of the movement.

Many of the legal restrictions encountered by unionism in America have been referred to in an earlier chapter.[3] A more hopeless muddle of conflicting court decisions and of almost directly opposite statutory provisions in different states could hardly be conceived. Labor organization itself in the abstract, since the Massachusetts case of Commonwealth *v.* Hunt in 1842, has generally been conceded to be legal. But evidently a union is doomed in some jurisdictions to remain

[1] Cf. Webb, *op. cit.*, pp. 606-608; Commons and Andrews, *Labor Legislation* (1916), pp. 122-124.

[2] Cf. *Report of the Twenty-first Annual Conference of the Labour Party* (1921), pp. 74-208; Blanshard, *op. cit.*, pp. 87-88.

[3] *Supra*, pp. 415-416, 422, 427.

a mutual admiration society if it wishes to keep out of trouble with the courts. California courts have held strikes of all sorts and even secondary boycotts to be legal, but have frowned upon all forms of picketing.[1] Massachusetts courts, which early won a reputation for liberality, have more recently "pulled up" and condemned strikes against non-union men or against the employment of members of a rival union, and all sympathetic strikes.[2] Strikes against the employment of non-unionists have also been declared illegal by the courts of Connecticut, Vermont, New Jersey, and Pennsylvania; and New York courts have first decided against such strikes, then some years later in favor of them.[3] The boycott—usually interpreted as the secondary boycott—has few friends among the judges, although the courts in three or four states have sustained its use. Picketing is outlawed absolutely by some state courts; but the greater number, as well as the United States Supreme Court, have attempted to make fine distinctions as to what constitutes coercion or intimidation.[4]

Statute law may be somewhat more definite but is no less diverse; and its interpretation still leaves considerable chance for the human equation. Kansas, under the Industrial Court Act of 1920, is the only state that has attempted to forbid strikes, and this only in certain industries assumed to be affected with a public interest.[5] Colorado,[6] Nebraska,[7] and Alabama [8] prohibit practically all forms of picketing; Utah passed such a law in 1919, but has since modified it; [9] and

[1] Parkinson Company *v.* Building Trades Council, 154 Cal. 581; Pierce *v.* Stablemen's Union, 156 Cal. 70; *Ex parte* Williams, 158 Cal. 550.

[2] De Minco *v.* Craig, 207 Mass. 593; Reynolds *v.* Davis, 198 Mass. 294; Commons and Andrews, *Labor Legislation* (1916), p. 104; Sayre, *Labor Law,* p. 147, *et seq.*

[3] Cases cited in Commons and Andrews, *op. cit.,* pp. 105-106.

[4] Cases cited in Sayre, *Labor Law,* pp. 185-236, esp. American Steel Foundries *v.* the Tri-City Central Trades Council, 257 U.S. (1920), Sayre, p. 213, *et seq.*

[5] United States Bureau of Labor Statistics, *Bulletin* no. 292 (1922), p. 29, *et seq.* The act was nullified at least for some industries by the Supreme Court of the United States in the Wolff Packing Company case, April 13, 1925.

[6] *Ibid.,* no. 148 (1914), vol. i, p. 324.

[7] *Ibid.,* no. 308 (1922), pp. 132-133.

[8] *Ibid.,* no. 308, pp. 31-32.

[9] *Ibid.,* no. 277, p. 319; *American Labor Legislation Review,* vol. xiii (1923), p. 279.

Washington has evidently been tossed about by conflicting currents of opinion—first passing a law forbidding picketing in 1915, to have it rejected by popular referendum, and then in 1919 joining Oregon, Wisconsin, North Dakota, and one or two other states in definitely legalizing unions, limiting the use of injunctions in labor disputes, and expressly authorizing peaceful picketing or persuasion.[1] Certain clauses of the Clayton Act passed by Congress in 1914 were supposed to accomplish the same purpose as regards federal jurisdiction.[2] But here again judicial interpretation has considerably whittled down the importance of these liberal acts. The Danbury Hatters decision in 1908 had, as we have noted, definitely apprised the unions that they were subject to the Sherman Anti-Trust Law. Recent decisions of the Supreme Court have now largely dashed their hope and belief that the Clayton Act and similar acts in progressive states had emancipated them from such restrictions.[3]

Yet a certain trend and certain forces at work can be detected in all this maze of litigation and legislation. Some three periods in the evolution, if it can be called by so flattering a name, are distinguishable. In the first period, lasting down to about 1840, the common law of conspiracy was applied to unions, very much as that and the Combination Acts were applied in England; and it was not until this old skin of prejudice and class control had been sloughed off that they were given a free hand in their development. Then for about forty years the difficulties which the unions met were almost wholly economic; and their slow growth is proof that these were sufficient. Through the absence of legal prosecutions they came to have a false sense of security, and saw no need for the statutory guarantees for which their British brethren were struggling during much of this period. The rude awakening began in the eighties and early nineties with the first boycott decisions and the first use of injunctions to curb the

[1] United States Bureau of Labor Statistics, *Bulletin* no. 186 (1915-16), p. 398; no. 244 (1918), p. 351; no. 277 (1921), pp. 333-334, 242-243, 273-274, 347-348; *Arizona Civil Code*, par. 1464 (1914), cited in Sayre, *Labor Law*, p. 233.

[2] *Bulletin* no. 166 (1915), pp. 325-326.

[3] *Infra*, p. 474.

activities of the unions. Since then labor has figured very prominently in court records and in legislative halls, with the varying results already noted.

Several factors—a combination of forces—were at work to bring this about. The labor question now became, almost for the first time in America, a real question, one which affected the public as well as the employer, and one upon which everyone had to take a stand. If, as is generally stated, the railroads were a large factor in the shaping of the business cycle and the causing of crises during the last quarter of the nineteenth century, it could be said that they had a similar part in the determination of public sentiment and court action upon labor matters. A strike conducted by a powerful union upon a great railway system was a very different thing from the petty local strikes in the building trades or in small manufacturing industries which our forefathers experienced.[1] And this prominence of the railroad in our thought of labor disputes, almost equaled at times by the coal industry, has continued right down to the present. People could not look with indifference upon the threatened strike which led up to the Adamson eight-hour law in 1916, or upon the coal strikes that always occur so inopportunely for the inhabitants of a cold climate. The violence, provoked or otherwise, which has attended many strikes made them seem like anarchy or revolution rather than the road to collective bargaining and industrial peace. The war spirit caused impatience with all tactics that threatened to interfere with a speedy victory; and the senseless panic in some quarters over syndicalism or communism has given rise to some very unchristian and undemocratic impulses, a few of which got registered on the statute books. So the public has taken sides on the labor question, and has been seeking new ways of protecting itself from distress and inconvenience.

Then, too, business has changed. It is now more often spelled with a capital letter. It is huger, more impersonal, and more ruthless. The greater emphasis placed upon the

[1] The Southwest railway strike in 1886, the Burlington strike in 1888, and the Pullman strike in 1894, out of which grew the Debs case, are instances in point. (Cf. Perlman, *History*, chap. vii.)

commercial side, and the rapid expansion of the corporate type of management, have prompted certain legal fictions whose consequences have not been clearly worked out—the personality of a corporation and the doctrine of good will which seems to give the business man a property right in his access to the commodity and labor markets. Lawyers and judges have developed into psychologists, skilled in the discernment of motives; and equity jurisprudence, the elastic element in the law, has been stretched and projected to cover the new needs. New legislation has been passed without its full implications being recognized. Particular delight has been found in directing the force of laws intended for the regulation of business, upon the organizations of labor; and in using the quiet but compelling political influence of business to thwart all efforts of labor to extricate itself and to improve its lot. We cannot understand labor politics until we understand the politics of the National Association of Manufacturers and of other similar bodies.[1]

Meanwhile labor, better organized, more conscious of its power and position, and more ably led, has been struggling to prevent the public from playing into the hands of its antagonists, and to see to it that the instrumentalities of government which should promote justice shall not be turned to the uses of persecution and oppression. In general, the unions, as represented by the American Federation of Labor, have joined with the socialists and other more radical groups in opposing all legislation threatening to curtail the freedom of the press, free speech, and the right of assemblage. A large crop of more or less drastic measures of this kind demanded their attention during and after the War—anti-syndicalism bills which might be used against the normal activities of the unions; sedition bills that recalled the old régime in Russia; bills for the conscription of labor in time of "national emergency"; and proposals for the censorship of the "movies," of the schools, and of the press.

At a hearing on one such bill before a congressional com-

[1] Cf. Bonnett, *Employers' Associations in the United States*, pp. 24-27, 90-91, 118-121, and esp. pp. 308-336.

mittee Mr. Gompers declared: "You are the greatest breeders of bolshevism. It is such legislation as this that encourages the growth of the I. W. W.'s and bolsheviks. . . . You are giving them the means to undermine the American Federation of Labor." [1] Labor was earliest in the field after the War in demanding the repeal of the Espionage Act, the Lever Act, and other arbitrary war legislation.[2] Because it believes that such forces are often used to intimidate labor and break strikes, it has consistently opposed the establishment of state constabularies like that which has existed for some time in Pennsylvania, and those which now exist in New Jersey, New York, and Colorado.[3] The Federation has for the same reason advocated the abolition or, if that is impossible, the stringent regulation of private detective agencies.[4]

All anti-strike and anti-picketing legislation has been fought to the last ditch. Compulsory arbitration either upon the Kansas plan or any other, and compulsory investigation like that provided for in Canada and Colorado, are held to take away, or at least to undermine, labor's most dependable weapon of last resort, and to substitute for it the delays and uncertainties of boards and courts. And in labor experience the "impartial arbitrator" has usually proved a myth.[5] Legislation requiring mention of the existence of a strike in all advertisements for strikebreakers has been secured in many of the states.[6] In more than half the states laws have been passed forbidding blacklisting by employers; and in several

[1] *Proceedings,* 1920, p. 102 (Sterling-Graham Peace Time Sedition Bill); *ibid.,* pp. 110-111 (compulsory military training); 1918, pp. 117-118, 121-122 (syndicalism); 1919, pp. 119-120 ("work or fight"); 1921, pp. 116-117 (military); 1922, p. 110 (sedition), 138-141 (censorship); 1923, p. 98 (Lusk Act, in New York).

[2] *Proceedings,* 1920, p. 102.

[3] *Proceedings,* 1921, pp. 122-123; 1923, pp. 96-97; 1919, p. 78 (militia).

[4] *Proceedings,* 1918, pp. 230-231; 1922, p. 343.

[5] *A. F. of L. History* (1919), pp. 149-154; *Proceedings,* 1900, pp. 24, 143; 1916, pp. 79-81, 250 (Canada and Colorado); 1920, pp. 88-90, 378-383 (Kansas); 97-98 (Esch-Cummins Act); 1923, pp. 72-73, 274 (Railroad Labor Board); Manly, Basil, "Arbitration and Industrial Justice," *Survey,* vol. xlviii (1922), pp. 44-46; Squiers, *Operation of Industrial Disputes Investigation Act of Canada,* United States Bureau of Labor Statistics, *Bulletin* no. 233 (1918), esp. pp. 137-138; etc., etc.

[6] United States Bureau of Labor Statistics, *Bulletin* no. 292, p. 146.

states it is a misdemeanor to discharge a man for belonging to a union, or to make that a ground for refusing employment.[1] Incidentally, provisions of the latter sort, both in federal and state legislation, have been declared unconstitutional by the Supreme Court; and in the Hitchman Coal Company case the court went to the verge of declaring that under the principle of freedom of contract, the consent of an employer must be obtained before any attempt is made to organize his works![2]

But the two grievances that more than anything else have driven American labor into politics, as the Taff Vale judgment drove British labor, and that account for its present deep-seated hostility to the courts are, of course, "government by injunction," and suits for damages. Both of these involve or may involve substantially all of the operations of unions, and both are sometimes found in the same case. Both are an outgrowth of the revived and expanded law of conspiracy and both are intended to deter labor from infringing upon the rights of business and the interests of the public.

The *injunction,* as far as it relates to labor disputes, is peculiarly an American development and has been little used in Great Britain. It is a writ granted by a court with equity jurisdiction upon application of an employer or a public official, prohibiting workmen or the officers of their unions from performing certain specified acts in prosecution of a strike or boycott. Violation of such an order is deemed contempt of court, and subjects the offender to fine or imprisonment or both, the degree of guilt and the severity of the penalty (prior to the passage of the Clayton Act) being determined solely by the court which issued the injunction.[3]

The first recorded application of this process to labor disputes was a somewhat obscure one in the state of Iowa in

[1] *Ibid.,* p. 106 (index).

[2] Adair *v.* United States, 208 U.S., 161 (1908), involved a provision in the Erdman Act passed by Congress in 1898. Cf. Coppage *v.* Kansas, 236 U.S., 1 (1915), given in Sayre, *Labor Law,* p. 843, *et seq.;* Hitchman Coal and Coke Company *v. Mitchell,* 245 U.S. 229 (1917), given in Sayre, *op. cit.,* p. 459. There were able dissenting opinions in each case.

[3] Cf. Browne, *What's What in the Labor Movement* (New York, 1921), p. 239.

1884; the first case of any prominence was in the Southwest railroad strike in 1886; and the one which first attracted national attention, and, from the labor viewpoint, opened up the whole pit of perdition, was that in the Pullman strike of 1894.[1] Since then the injunction has been more and more frequently called for and granted. Cases that still linger with poignant bitterness in union recollection are the injunction against the strike of the coal miners obtained under the Lever Act by Attorney-General Palmer in 1919, and that in 1922, by which a pliable judge in Chicago, upon plea of Attorney-General Daugherty, prohibited the striking railway shopmen from doing nearly everything that could be thought of or imagined by the most misanthropic labor hater.[2]

Labor has doubtless overemphasized some of these drastic injunctions and has considerably exaggerated the harm which the injunction, in general, has done to its cause. Indeed other critics of the process, including some representatives of employers, have adduced considerable evidence of its ineffectiveness. Mr. Witte shows in a recent article that, in the absence of other protective agencies, the injunction does little to prevent and not a little to provoke violence and disorder during strikes; that in the building trades injunctions against strikes and boycotts have usually proved valueless to the employer; that in cases like that of the Buck's Stove and Range Company an injunction and the litigation growing out of contempt proceedings merely served to advertise and extend a boycott; and, finally, that, except in the formative period of unionism or possibly where a general condemnation is placed upon picketing of all kinds, injunctions have probably had little influence in determining the outcome of strikes.[3]

Yet the belief is strong and well-nigh universal among labor men that the injunction is a device for prejudicing a strike or boycott before it is fairly launched; that it is often made so inclusive both as to persons and as to offenses as to make it

[1] Perlman, *History*, p. 155, *et seq.*

[2] *Proceedings of the American Federation of Labor Convention*, 1920, pp. 181-193; "Smothering a Strike by Injunction," *Literary Digest*, vol. lxxiv, September 16, 1922, pp. 7-9.

[3] Witte, "Value of Injunctions in Labor Disputes," *Journal of Political Economy* (Chicago), vol. xxxii (1924), pp. 335-356.

dangerous to be alive; that, in so far as it has legitimate purposes in preventing unlawful acts, these are sufficiently covered by the criminal law; that it is often granted without adequate notice or hearing; and that it deprives those who are arraigned under it of a fair jury trial. They feel that it demonstrates conclusively that the power of the courts is being thrown on the side of capital and against labor.[1] And opinions when they become deep-seated sometimes have to be treated as facts.

The remedies sought for the evil, almost from its inception, have been chiefly two: (1) the defeat of judges who have issued injunctions, and (2) the passage of laws forbidding the use of injunctions in labor disputes or greatly restricting their scope, and insuring jury trial for contempt. The sifting out of judges, although it has had considerable success in states where the labor vote demands respect, has the weakness that it is not easily applied to federal judges who are appointed and not elected. Efforts to influence presidential appointments or to prevent confirmation by the Senate, and threats of impeachment, are comparatively futile in the present stage of labor's political organization. And, in consequence, federal judges have been the worst offenders in granting injunctions.[2]

Of the bills presented to state legislatures and to Congress from about 1894 on, some of them attempted definitely to legalize and thus remove from the sphere of the injunction process those practices or methods which labor normally uses during a dispute; others have been directed at the injunction process itself so far as labor disputes are concerned.[3] Particularly since 1906, the American Federation has made the injunction issue the basis of its chief demand upon the party conventions and upon candidates for Congress and the legislatures. Finally, after a similar provision had several times

[1] Frey, John P., *The Labor Injunction: an Exposition of Government by Conscience* (Cincinnati, 1922); *Text Book of Labor's Political Demands* 1906, p. 12-22; *A. F. of L. History,* 1919, pp. 251-261; Gompers, *Labor and the Common Welfare,* p. 66, *et seq.,* etc.

[2] Cf. Witte, *op. cit.,* pp. 351-353.

[3] Cf. Brandeis in his dissenting opinion in Truax *v.* Corrigan, 257 U.S. iven in Sayre, *op. cit.,* p. 227, *et seq.,* esp. p. 232; *A. F. of L. History,* p. 252, t *seq.*

been favorably reported by committees and had been sever times passed by the House, an anti-injunction clause wa incorporated as Section 20 of the Clayton Act in 1914.[1] Th was hailed by labor as the fulfilment of all its hopes in the fie of federal legislation, and efforts were at once directed to s cure similar action from the states. Some eight or nine stat had before 1920 passed laws almost identical in language wit the injunction clause of the Clayton Act.[2] But 1914 was notorious year for "scraps of paper," and the intricacies the law seem to be too much for labor leaders to comprehend for, as already noted, more far-reaching injunctions have bee issued since than before, and the fine reasoning of the Suprem Court in Duplex Printing Press Company *v.* Deering, and Truax *v.* Corrigan, appears to leave the whole question, asi from the right of jury trial for contempt, which has bee upheld, pretty much where it was before.[3] Still in 1924, ther fore, the officers of the Federation were making the rounds the party conventions, seeking pledges for an effective cur on injunctions.[4]

There may well be some question whether in its prolonge fight against a legal process the Federation has not been pul ing at the cloak of the difficulty rather than attacking i vital parts; whether it might not have accomplished more it had directed its efforts more largely to obtaining a statutor definition and legalization of those policies of the union which they consider to be legitimate and which a large po tion of the public can also be persuaded to sanctio Naturally, it is desirable to retain a proper degree of adap

[1] *U. S. Comp. Statutes,* sec. 1243d; Sayre, *op. cit.,* p. 145; *Proceedings,* 191 pp. 68-73.

[2] United States Bureau of *Labor Statistics, Bulletin* no. 277 (1921), inde p. 385; *Proceedings,* 1915, p. 104.

[3] 254 U.S. 443 (Sayre, p. 440, *et seq.*); 257 U.S. (Sayre, p. 220, *et seq.*). the majority opinion in Duplex Printing Press Company *v.* Deering, Justi Pitney says, referring to sec. 20 of the Clayton Act, "The emphasis placed the words 'lawful' and 'lawfully,' 'peaceful' and 'peacefully,' and the referenc to the dispute and to the parties to it, strongly rebut a legislative intent confer a general immunity for conduct violative of the anti-trust laws, otherwise unlawful." (Sayre, *op. cit.,* p. 446). Jury trial for contempt was su tained in November, 1924 (Cf. *Literary Digest,* November 8, 1924, p. 12.).

[4] New York *Times,* June 22, 1924, sec. 1, p. 8; June 29, 1924, sec. 1, p. 9.

ability and elasticity; but British experience points in the direction just indicated.

The *levying of damages* upon labor unions is exactly analogous to the Taff Vale judgment in England. In fact, in the Coronado Coal Company case, Chief Justice Taft cited the Taff Vale decision as a precedent.[1] Yet, for one reason or another, such awards have not been numerous and are chiefly important for the prospect that they open and the anxiety that they cause. With injunctions forbidding unionists to do certain things to promote the success of a strike, and making them individually punishable for violations, and with the organizations themselves now held by the highest judicial authority to be financially liable, very much like a partnership, for the acts of their agents or officials, the unions are indeed sore beset behind and before.

The suit against the United Hatters involved the applicability of the Sherman Anti-Trust Act to combinations of labor. It was first brought in the lower courts in 1903 and the opinion of the Supreme Court written by Chief Justice Fuller was rendered in 1908. The Loewe Hat Company proved to the satisfaction of the courts that a boycott conducted by the union against its product had resulted in a loss of $80,000; and the courts, holding that such a powerful combination was in violation of the law, finally, in 1915, awarded triple damages of $240,000 against the union.[2] This was not absolutely the first intimation that the unions had had that they might be subjected to the trust laws, because as early as 1901 the Federation had tried to secure an amendment from Congress specifically exempting labor organizations, and this was repeatedly pressed in succeeding years.[3] But the opinion of the Supreme Court in 1908, although it did not close the

[1] United Mine Workers *v.* the Coronado Coal Company, 259 U.S. 344 (1922), given in Sayre, *op. cit.*, pp. 533-553, esp. p. 539. The objection raised by the Executive Council of the Federation that the Taff Vale judgment has been annulled by statute in Great Britain is obviously not well taken. (Cf. *Proceedings*, 1922, pp. 291-292.) It merely indicates that a similar remedy should be applied in this country.

[2] Loewe *v. Lawlor*, 208 U.S. 274 (1918), given in Sayre, *Labor Law*, p. 121, *et seq.*; Laidler, *Boycotts*, chap. xx.

[3] *Proceedings*, 1901, pp. 23, 187; 1903, p. 27; 1906, p. 163.

case, fully awakened the unions to the danger and led to redoubled efforts. And Section 6 of the Clayton Act of 1914 was supposed to grant the exemption asked for. Similar acts have been secured in some ten different states.[1]

Once more the relief has proved illusory because, as stated in the Coronado decision already referred to, unions are still held suable independently of statute law "for torts committed by such unions in strikes." [2] Evidently in the United States also, the time has not yet come when, even from a purely defensive standpoint, labor can afford to go out of politics.

3. CONSTITUTIONAL LIMITATIONS

Not only in carrying on its economic activities has labor met with legal difficulties, but also in its attempts to exercise its political power for the improvement of working conditions. These more direct and positive measures for redress are themselves discussed in the succeeding chapter; but the obstacles to their realization are of interest at this point.

James M. Beck has remarked that the whole framework of the government of the United States favors paucity or niggardliness of legislation rather than abundance; and the wisdom of the system, he says, "turns largely upon the question whether the real need of the public is for more or for less laws." [3] Certainly, the obstacles in the way of independent political organization, in getting adequate and effective laws passed covering the whole field, and in securing their approval by the courts and their enforcement by administrative officers, are much greater in America than they are in Great Britain. There, the legislative authority is largely centered in a single parliamentary body; the constitution is "unwritten," and hence more elastic; and the courts have been reasonably content with the job of interpreting and applying the laws passed by Parliament. Here, sovereignty is divided between

[1] United States Bureau of Labor Statistics, *Bulletin* no. 370 (1925), index p. 1195.

[2] Sayre, *op. cit.*, p. 540. On the menace of damage suits to unionism see Commons and Andrews, *Principles of Labor Legislation* (1916), pp. 120-122; *Proceedings of American Federation of Labor*, 1923, pp. 93-94.

[3] Beck, *The Constitution of the United States, Yesterday, To-day and To-morrow* (New York, 1924), p. 236.

the federal government and the forty-eight states; a written constitution, very hard to amend, undertakes to delimit the powers of government over the individual and to distribute the functions among the various organs of government; and the courts, whatever may have been the intention of the founders, have become arbiters over the constitutionality of acts passed by legislative bodies.[1]

Since these checks upon legislation operate largely in conjunction with one another, it is impossible to decide which is most to blame for the bitter disappointments that labor has so often suffered. The federal form of government, in addition to making it somewhat uncertain where any group must press its suit, leads to the difficulty of maintaining a united front in so many jurisdictions at once. Interstate competition is the commonest and undoubtedly the most weighty argument against laws regulating the hours of labor, workmen's compensation acts, minimum-wage laws, and all other progressive legislation. There are times when people must be good together or not at all. To secure concurrent action of all the states is a bit like trying to drive the famous forty-mule team. Each is waiting for the others to start. There has been, it is true, a considerable amount of imitation of the phraseology of labor laws from one state to another; and the laws of Massachusetts have been copied very widely. But that is mainly after the legislatures of the respective states have made up their minds that some laws of this kind must be passed. Labor, as shown in its support of the two federal child-labor laws that were afterward declared unconstitutional, and in its continued advocacy of the Child Labor Amendment, believes that the present division of authority no longer expresses the degree to which the people of the country have common interests and common sentiments, and that it is imperative that the federal government be given power to bring the laggards into line and make real majority rule possible.

[1] The nearest approach in British labor history to a check upon political activity comparable to American court decisions was the Osborne Judgment of 1909. (Cf. Osborne, *My Case* (London, 1910); Humphrey, *History of Labour Representation* (London, 1912), pp. 174-181.)

A compilation made a few years since by Lindley D. Clar for the Bureau of Labor Statistics indicates that some 30 labor laws, bills, and ordinances had at that time been declare unconstitutional.[1] Thus a setback of several years to law regulating the hours of women in factories was given whe the Illinois court declared such a law unconstitutional.[2] ten-hour law for bakers in New York, although it had bee upheld by the highest state court in 1904, was later declare void by the United States Supreme Court.[3] An eight-hou law for men working in mines and smelters in Colorado wa held invalid by the state court on the ground that the publi welfare was not involved.[4] The first workmen's compensa tion law in New York was declared unconstitutional in 191 and caused a strange timidity in drafting such laws in othe states.[5] The overthrow of the federal child-labor laws—th first in 1918 because it exceeded the powers of Congress ove interstate commerce, and the second in 1922 because it mad an unwarranted use of the taxing power—are now familia instances.[6] Perhaps the most surprising case of all, becaus it came after such legislation had been on the statute book of some of the states for more than a decade, was the decisio of the United States Supreme Court in 1923 that the Min mum Wage Act for the District of Columbia violated freedo of contract.[7]

Such reverses would not seem so grievous if they mean only a short delay until the fundamental law of the countr could be brought into harmony with the economic facts. Th state constitutions have been the less rigid, both because o the large residual powers—notably the police power—left t the states, and because they are somehow nearer to the sourc of their authority and have been subject to revision by con

[1] Clark, *Labor Laws that Have Been Declared Unconstitutional* (Unite States Bureau of Labor Statistics, *Bulletin* no. 321 (1922)), esp. p. 10.
[2] Ritchie *v.* People, 155 Ill., 98.
[3] People *v.* Lochner, 177 N. Y., 145; 196 U.S., 45.
[4] *In re* Morgan, 26 Colo., 415.
[5] Downey, *Workmen's Compensation* (New York, 1924), pp. 147-148.
[6] 247 U.S., 251; 259 U.S., 20; Fuller, *Child Labor and the Constitutio* chap. vi.
[7] 261 U. S., 525.

itutional conventions and subsequent popular referenda. ut the federal Constitution has never experienced such an verhauling; and, aside from the bill of rights adopted very arly in its history in order to secure complete ratification, nd the three amendments growing out of the Civil War, less han half a dozen amendments have been able to run the auntlet of a two-thirds majority in Congress and a three-ourths majority of the state legislatures. That such im-unity has not been wholly due to the great perfection of the riginal instrument and the absence of any dissatisfaction ith it, is proved by the number of amendments (eighty to ne hundred in some recent sessions) moved in Congress.[1] f these, the American Federation of Labor has endorsed, mong others, the Child Labor Amendment, already referred o, the Norris Amendment for an earlier meeting of newly lected congresses, and a proposal to curb the power of the upreme Court.[2]

The courts, indeed, have had to bear the brunt of labor riticism and antipathy. This is, in part, a "carryover" from ne restrictions, already discussed, that the courts have some-mes placed upon union activities. But it springs naturally rom the final position which the courts occupy in the process f law-making and enforcement; and is encouraged not a ttle by the fact that several important decisions in labor natters—notably those in the child-labor and the minimum-age cases—have been ably disputed in the dissenting opin-ons of three or four of the justices. It is particularly trying, fter months and perhaps years have been spent in pushing measure along the tortuous and perilous legislative channel, o have the whole thing thrown out and hopelessly shattered y the learned reasoning of a bare majority of the members f the highest court.

The executive Council of the American Federation, in the azardous rôle of historian, has contended that the Supreme Court arrogates to itself powers which the framers of the Con-

[1] Cf. MacDonald, "100 Plans Afoot to Amend Constitution," New York *Times*, June 15, 1924, sec. 8, p. 8.

[2] *Proceedings*, 1922, p. 373; 1923, pp. 81, 244, 357.

stitution never intended it should exercise.[1] And a speci committee on Supreme Court decisions at the convention the Federation in 1922, after reviewing six cases which ha resulted adversely for labor, declared that: "This despot exercise of a usurped power by nine men, or a bare majori of them, over the lives and liberties of millions of men, wome and children is intolerable." [2]

Several remedies have been confidently suggested. The o previously mentioned of permitting Congress to re-pass by two-thirds majority any act which the Supreme Court h declared unconstitutional, and then to declare it the law the land, is probably the favorite and the most far reachin It was adopted at the convention of the Federation in 192 and was a feature of the La Follette platform in 1924. change in the Constitution toward easier and more spee amendment, it is also thought, would largely rob the adver decisions of their sting.[3] Popular election of federal judg in the same manner as for most state and local judges, w endorsed by the Federation in 1923 and was also a propos in the La Follette platform.[4] Finally, a more moderate, no legislative method, and one that, in view of the recogniz elasticity of the Constitution through judicial interpretati in times past, makes the strongest appeal to many of t best-informed sympathizers with the labor cause, is that *educating the judges themselves,* so that they will have better realization of economic facts and conditions. This ca of course, be done most effectively by influencing their ear sympathies, when they are students in the law schools. B it has been used to advantage through such elaborate brie as were submitted in the Oregon ten-hour case and in t New York case against night-work for women.

4. OILING THE MACHINERY

In various other ways both British labor and America labor have endeavored to bring about a liberalization of go

[1] *Proceedings,* 1923, pp. 36, 56.
[2] *Proceedings,* 1922, p. 372. Cf. also, pp. 371-398.
[3] *Proceedings,* 1922, p. 373.
[4] *Proceedings,* 1923, p. 292; New York *Times,* July 6, 1924, p. 5.

ernmental machinery and operations for the purpose of promoting their own political and other interests.

One reform which the American Federation has considered quite in line with its non-partisan method of political action, and one much used in union government itself, is the initiative and referendum. It claims to have been the first national organization to endorse this plan, and gives chief credit to its constant agitation and questioning of candidates for the adoption of some form of initiative and referendum in nearly half of the states.[1]

Increased recognition of labor in the actual conduct of government has likewise been obtained. The Committee on Labor in the House of Representatives was established largely through the importunity of the unions; and the Federation has endeavored ever since to insure that its membership should be such as to give sympathetic attention to labor's demands.[2] The Department of Labor in the federal government and the bureaus of labor in the states are also principally the result of labor agitation, and have undoubtedly been instrumental in furthering much labor legislation. The Massachusetts bureau was the first to be established, in 1869, the resolution for its establishment being drafted by George McNeill, and supported by other "eight-hour men." [3] Officials of the coopers and of the engineers were instrumental in having such a bureau formed in Ohio in the seventies; and the one in Illinois was started in 1879 by the efforts of the labor organizations and of ten members of the Greenback-Labor party in the legislature.[4] Mr. Powderly claims credit to the Knights of Labor for the establishment of bureaus in New Jersey, California, Michigan, Wisconsin, Kansas, and other states.[5]

[1] *A. F. of L. History,* 1919, pp. 248-251; *Proceedings,* 1892, p. 45; 1904, p. 31; 1905, pp. 78, 233; 1917, pp. 104, 411.

[2] Executive Council of American Federation of Labor, *Text Book of Labor's Political Demands* (pamphlet) (Washington, 1906), p. 6; Gompers, *Seventy Years of Life and Labor,* vol. ii, pp. 227-228, 232. See also the exultation at the reform of the Rules Committee and the dethroning of Speaker Cannon. *Proceedings,* 1910, pp. 44, 313.

[3] McNeill (ed.), *Labor Movement* (1887), p. 137.

[4] Mayo-Smith, "American Labor Statistics," *Political Science Quarterly,* vol. i, pp. 51-52.

[5] Powderly, *Thirty Years of Labor,* pp. 303-309.

The first mention of a national labor bureau was evidentl made by W. H. Sylvis at the second convention of the Nationa Labor Union. Resolutions in favor of it were passed by th Industrial Brotherhood and, in 1878, by the Knights o Labor.[1] The American Federation of Labor was so much i favor of it after 1881 that there has always been some jealous as to which of the national bodies can claim the glory for th final adoption of the idea in 1884.[2] Once the bureau wa established, the effort of the unions has constantly been t increase its power and importance. In 1888 the bureau wa made a department, although, partly to avoid frequen changes, the head was not given cabinet rank. In 190 against the opposition of the Federation, it was made a par of the new Department of Commerce and Labor.[3] Finall in 1913, all of the interests of labor, including the Bureau o Immigration, were assigned to a separate department with secretary sitting in the President's cabinet. The Children' Bureau and the Women's Bureau have since been added t take over part of the research work formerly covered by th Bureau of Labor Statistics itself.[4] One division of the Chi dren's Bureau had charge of the enforcement of the first fed eral child-labor law, thus combining, like the Bureau of Im migration, administrative duties with those of investigation

Here again the Federation and its state branches or affi iated unions have exerted their influence to secure a person nel in sympathy with the labor movement. Many of th heads of the bureaus or the members of industrial commis sions, as they are known in some states, have been union men The first Secretary of Labor, William B. Wilson, in the cabine of President Wilson, was a member of the United Mine Work ers; and Secretary Davis, in the cabinets of Presidents Hard ing and Coolidge, although not recently active in unio

[1] *Ibid.*, pp. 71, 303.

[2] McGuire, *History of the American Federation of Labor* (pamphlet); Pow derly, *op. cit.*, pp. 312-316; Weber, *The Bureau of Labor Statistics*, Unite States Bureau of Labor Statistics, *Bulletin* no. 319, pp. 1-3.

[3] *Proceedings*, 1897, pp. 22, 88; 1900, p. 88; 1903, pp. 24, 173; *A. F. of L History*, 1919, pp. 195-196; Weber, *op. cit.*, p. 3.

[4] Weber, *op. cit.*, pp. 3, 9, 18; Carroll, *Labor and Politics* (Boston, 1923 pp. 134-135.

affairs, still retains his membership in the Amalgamated Iron and Steel Workers.

The publications of the Department of Labor and of the state bureaus upon wages, hours, accidents, disease, comparative legislation, and other labor matters constitute the most valuable sources of information upon these subjects, and have done a great deal to reach that larger public upon whose aid in both the economic and the political field labor must depend for success. The creation of such governmental agencies represents a high type of permissory labor legislation. When Congress in 1921-22 threatened to stop the publication of the *Monthly Labor Review,* or to censor it in drastic fashion, there was immediate protest from the American Federation against this form of economy.[1]

British labor has likewise won a larger share in governmental affairs, until finally, early in 1924, it was called upon to form a ministry of its own. The establishment of the Labor Department of the Board of Trade and the beginning of the publication of the *Labour Gazette* (corresponding to our much more recent *Labor Review*), constituted the only substantial outgrowth of the report of the Royal Commission on Labor in 1894. The Liberal Party had on several occasions prior to the War attempted to win or to hold labor support by offering usually minor ministerial posts to "Lib-Labs." The most notable was the appointment of John Burns in 1905 to the presidency of the Local Government Board. But the War showed the necessity of labor co-operation; and in Lloyd George's Coalition government there were some six members of the Labor Party, three of them in charge of important departments. The former Labor Department was now expanded into the Ministry of Labor, with John Hodge of the Steel Smelters Society as the first incumbent. The Webbs summarized the situation as follows:

> We may, in fact, not unfairly say that trade unionism has, in 1920, won its recognition by Parliament and the government, by

[1] *Proceedings,* 1922, pp. 100, 359. The Bureau of Mines for the purpose of increasing safety in the mining industry was actively urged by the United Mine Workers. (Report to Nineteenth Annual Convention, *United Mine Workers' Journal,* January 30, 1908, p. 14.)

law and by custom, as a separate element in the community, entitled to distinct recognition as a part of the social machinery of the State.[1]

5. EDUCATION FOR DEMOCRACY

The first impulse toward popular education in America, at least in New England, was probably a religious one. But it fell into abeyance and even in Massachusetts, as manufacturing towns arose and differences of wealth appeared, the public schools degenerated and came to be used only by the children of the poor, and they were poor schools at that.[2]

When the movement was renewed about 1830 it was this time led by public-spirited men strongly in sympathy with democracy and with the rights of labor—Robert Dale Owen, the Evans brothers, Samuel Whitcomb, Seth Luther, and most effective of all, Horace Mann and Henry Barnard; and it had the full support of such workingmen's associations as existed at the time.[3] Professor Carlton thinks there is no doubt but that the influence of the workers themselves was "an important factor in hastening the development of the free school system."[4] And the American Federation has claimed the glory for organized labor when it declares, "It is a well-known and generally accepted fact that the public school system of the United States was created because of the insistent demands of our pioneer trade unionists."[5]

The Federation and its affiliated unions have not been disposed to rest under these laurels of the past. They have steadily favored such changes and additions as have been necessary to make the educational system completely democratic. From its first convention in 1881 the Federation has consistently urged compulsory school attendance, and now

[1] Webb, *History,* p. 635. Cf., also, pp. 594-596, 645-647, 692-693.

[2] MacMaster, *Rights of Man in America,* pp. 97-98; Sumner, Helen, in Commons, *History,* vol. i, p. 223, *et seq.; Life of Horace Mann,* by his wife (Boston, 1867-68), p. 63.

[3] Carlton, *Organized Labor in American History* (New York, 1920), pp. 66-68; Ely, *Labor Movement in America,* pp. 44-48; Sumner in Commons, vol. i, pp. 216-219.

[4] *Op. cit.,* p. 68.

[5] *Proceedings,* 1918, p. 95.

that this is provided for in all states it is urging better enforcement.[1] It has long advocated free textbooks, and they have been secured in the great majority of the states.[2] It seeks, also, to have such books introduced as will "teach the dignity of manual labor" and give a proper understanding of the labor movement; and it protests against any interference with the freedom of teaching.[3] It scouts any notion that education should be industrialized, or that higher education should be the privilege of the favored few, while the working people are given a purely practical training as a substitute.[4] Henry Abrahams, for so long secretary of the Central Labor Union of Boston, was never quite satisfied with Harvard and the other universities and colleges of Massachusetts, but thought that there should be a state university where all might attend upon equal terms without tuition.

In British legislation, also, there has been a close parallelism between the growing political power of labor and the spread of education. British education has had to contend, on the one hand, with a strong aristocratic tradition that it is not necessary or even desirable that the "lower orders" should know too much, and, on the other hand, with the vested interests of the Church, in whose hands the intellectual as well as the spiritual welfare of the masses had so long been placed. It is notable, however, that after each important extension of the suffrage there has been some relaxation of the control of the Church and some increase in the provision for real public education. The first Parliamentary grant for elementary education was made in 1833; "board schools" and public aid to voluntary schools under government inspection were established by Mr. Forster's bill in 1870; compulsory attendance laws soon followed; by 1891 most elementary schools were free; and in 1902 governmental control became more

[1] *Proceedings*, 1881, p. 3, etc.

[2] *Proceedings*, 1903, p. 29; 1911, p. 136; 1918, p. 321.

[3] *Proceedings*, 1903, p. 29; 1920, pp. 172-176, 469-471; Gompers in *Proceedings of the First National Conference on Workers' Education in the United States* (New York, 1921), pp. 7-8.

[4] *Proceedings*, 1915, p. 321, *et seq.*; Gompers, *Labor and the Common Welfare*, p. 101, *et seq.*

absolute and steps were taken for free secondary education also.[1]

But the greatest advance came as a measure of reconstruction along with the doubling of the electorate in 1918. By that time the Lords had been shown their proper place, and the aristocratic tradition had been quite thoroughly exploded; so that the way was now made plain for democracy. It is evident that labor had a considerable share at this time in bringing public opinion to a focus. Not to mention certain anticipatory references to the subject before the War, the Trades Union Congress at Birmingham in 1916 had protested against any reduction of expenditure for education, and promised its support for all measures looking toward a higher standard of education for all.[2] The Labor Party's own program of reconstruction, first presented by a committee in 1917, declared "for the education alike of children, adolescents, and adults" and "for genuine equality of opportunity overcoming all differences of material circumstances."[3] In introducing his Education Bill in 1917, the President of the Board of Education, Mr. Fisher, paid tribute to the interest shown by "our industrial army" in education, as "an aid to good citizenship, a pure source of enjoyment, and a refuge from the necessary hardships of a life spent in the midst of clanging machinery in our hideous cities of toil."[4] The Act as finally passed in 1918 provided for better facilities for elementary education and for a program of compulsory attendance at continuation schools from the age of fourteen to that of eighteen. But it failed to satisfy labor's demand for adequate free secondary schools; and its scope was still further restricted by the "economies" which the government felt it necessary to adopt.[5] The Labor government itself left no doubt during its short period

[1] Graves, *History of Education, Modern Times* (New York, 1914), pp. 303-307; Park, *English Reform Bill of 1867*, pp. 210, 271.

[2] Kandel, *Education in Great Britain and Ireland*, United States Bureau of Education, *Bulletin* no. 9 (Washington, 1919), p. 71.

[3] *Labour and the New Social Order* (pamphlet), p. 21. Cf., also, declaration in 1918, *School and Society* (New York), vol. viii (1918), pp. 294-295.

[4] Quoted in Kandel, *op. cit.*, p. 79.

[5] Tawney, R. H., *The British Labor Movement* (New Haven, 1925), pp. 3-4 and lecture v; Tawney (ed.), *Secondary Education for All*, esp. chaps. i-ii; Labour Party, *Labour and National "Economy"* (pamphlet), part iv.

of control as to what measures it would like to take for education in all grades from the primary to the university.[1]

In Great Britain also the Workers' Educational Association and several of the unions have made an active attempt to supplement, especially for adults, the scanty facilities afforded by publicly supported schools.

Certainly, there is no direction in which the aspirations of labor have more nearly coincided with the interests of the public and of civilization than they have in this matter of education.

[1] Cf. Blanshard, *The British Labor Movement* (New York, 1923), chap. xii. School lunches have had a considerable development in British towns and in American towns and cities, on the principle that it is folly to waste instruction upon children who are hungry. (Cf. *School and Society*, vol. xi, p. 20.)

CHAPTER XIX

SUPPLEMENTARY LEGISLATION

1. PROTECTION TO SPECIAL GROUPS

ONE of the surprising developments from woman's suffrage has been the contention of a small group of the old "militants," who style themselves "The National Woman's Party," that all restrictive or protective legislation specially affecting women should now be removed from the statute books. They have argued before some of the state legislatures and in Washington that the working-woman has all too long been handicapped in securing employment by the man-made regulations affecting her hours, wages, and other conditions, and that the only way in which the much-desired equality of the sexes can be secured is either by the repeal of all such regulations or by their extension upon the same terms to men. There must be full freedom of contract and an employer must be left free to choose men or women for particular work strictly according to their relative merits and competency. According to their view, the decision of the Supreme Court in 1923 declaring the minimum-wage law in the District of Columbia unconstitutional is a cause for rejoicing and not for regret.[1] Instead of more legislation on behalf of women as a result of the power to vote, there should apparently be less.

It has not been possible to discover that there is in this Woman's Party any large number of the working-women themselves, or of such as compose the Women's Trade Union League, who have the immediate welfare of women workers at heart far more than they have any abstract doctrine in

[1] Cf. *Christian Science Monitor* (Boston), April 12, 1923, p. 1; New York *Herald-Tribune*, January 22, 1926, p. 3.

their heads.[1] It is interesting also to note that there was an exactly similar "women's rights opposition" in Great Britain during the seventies and again in the nineties, when legislation affecting woman labor was pending, and that it was composed almost wholly of middle-class individualists who knew little of actual industrial conditions.[2]

Labor legislation relating to women and children may, of necessity, have been chiefly man-made. That probably accounts in part for its tardiness and its imperfections; but it does not of itself constitute a grievance nor prove that the whole structure should be swept aside. The motives that have actuated men-workers in demanding such restrictions have admittedly not always been high and noble and disinterested; but there is reason for congratulation that even such efforts have resulted in so much that is helpful and beneficent. Mrs. Kelley testifies that "To the organization of labor are due all the earlier statutes for the protection of the working-children." [3] And two English women-writers remark that:

> In spite of the "jealousy" of which at times we have heard so much, the fact remains that women have won their greatest improvements and most favorable conditions of work through the efforts of the men's unions and in combination with them. The history and the common sense of the matter are . . . that the trade unions have urged shorter hours by law for women and children, not in order to oust them as competitors and work longer themselves but to secure shorter hours all round.[4]

Political equality does not of itself promise to remove handicaps to the organization of women or to enable them to obtain better conditions through collective bargaining; and instead of lessening their need of legal protection, it rather makes such protection more easy of attainment.

[1] Cf. interviews with Miss Rose Schneiderman, Mrs. Florence Kelley, Miss Edith Abbott, and others on the minimum-wage decision, New York *Times*, June 3, 1923, sec. 8, p. 13.

[2] Hutchins and Harrison, *A History of Factory Legislation* (London, 1911), chap. ix, esp. p. 198.

[3] Kelley, *Some Ethical Gains Through Legislation* (New York, 1905), p. 55, Cf. Fairchild, *Factory Legislation of the State of New York* (*American Economic Association Publications*, vol. vi (1905)), chap. iv.

[4] Hutchins and Harrison, *op. cit.*, pp. 197-198.

The restrictive legislation demanded by labor, like the permissive and defensive type which we have already discussed, is closely related to unionism. It is intended, for the most part, to supplement collective bargaining without becoming a substitute for it. The unions, particularly the stronger craft type of unions, who have most of the time dominated the political as well as the economic activities of labor in both Great Britain and the United States, and who still retain their belief in the efficacy of unionism itself, have not wished to create a dangerous rival nor to provide for their own decease. Either the *parties* to whom labor legislation of this sort was directly to apply have been chiefly such as are beyond the aid of collective bargaining—women, children, government employees—or the *measures* themselves have generally pertained to conditions that, for one reason or another, could not be adequately reached by the purely economic method—immigration, unemployment, health, and safety. This jealousy of politics has, to be sure, been more pronounced in America than in England, because the control of old-line unionism is still more absolute here than it is there.[1] Public sympathy and support have also naturally determined the direction taken by labor legislation in both countries, it being easier to get the public interested in women and children than in men, and in safety and health than in wages. Constitutionality, in turn, has had to be carefully considered in the United States, since the courts have been much more lenient toward laws affecting women and children—"the future of the race"—than toward those governing the labor of men; and toward regulations respecting sanitation and safety than toward those relating to wages.

The disposition to oppose *child labor* except as a carefully regulated apprenticeship undertaken usually at the age of sixteen was an inheritance from the old guild system; and the well-grounded fear of such competition has always been a major factor in the demand for a higher and higher minimum age for child workers. Humanitarian sentiment, which labor

[1] Cf. *infra*, pp 543-550, on the value and limitations of politics. Also Mittelman, "A. F. of L. and Politics at Portland," *Journal of Political Economy*, vol. xxxii (1924), pp. 86-100, on the dominance of the craft unions.

itself feels along with all right-minded persons, has always been more largely emphasized in the appeal for such restriction; and, as represented by such men as Robert Owen before 1819 and by Lord Ashley in the forties, it probably had a larger share in bringing about the early legislation upon child labor in England than it did in America.[1]

With respect to *women* there has been less effort—at any rate less success in obtaining legislation—to exclude them from industry altogether. The Mines Regulation Act of 1842 in England (Lord Ashley's Bill), which prohibited the employment of women and children in underground mines, was not due to the demands of the miners, who were then still unorganized, but was the natural response of common public decency to the frightful conditions which were revealed by the report of a special commission.[2] Similar prohibitions in Pennsylvania and other coal-mining states had a similar origin and basis.[3] The support which the Molders Union gave to a bill passed in New York in 1913 prohibiting the employment of women in core-rooms containing core ovens was undoubtedly prompted by the same selfish motive that has led this organization to exclude all women from membership; but the Act itself is rather to be looked upon as one of the many valuable results of the reports of the New York Factory Investigating Commission in 1912 and succeeding years.[4]

The most common and persistent demand for the legislative regulation of the labor of both women and minors—one that crops up in some form at almost every session of a state legislature—is that relating to *hours*. And the leading motive for this demand in times past has been the desire of men-workers to get a shorter working day for themselves also. The general acceptance of the doctrine of *laissez faire* in England during

[1] Dunlop and Denman, *English Apprenticeship and Child Labour*, p. 287, *et seq.*

[2] Webb, *Industrial Democracy*, pp. 495-496 and note; Hutchins and Harrison, *op. cit.*, pp. 81-82.

[3] Cf. Thompson, *Pennsylvania Mining Statutes Annotated* (United States Bureau of Mines, *Bulletin* no. 185 (1920)), p. 788, *et seq.*

[4] Stockton, *International Molders Union* (*J. H. U. Studies*, vol. xxxix (1921)), pp. 61-63.

the greater part of the nineteenth century, particularly with reference to the labor of men, operated in much the same way as our own constitutional restrictions and narrow court decisions; and made it necessary for the men, as the phrase went, to "work from behind the petticoats of the women." This purpose was shown plainly enough by the disappointment of the Cotton Operatives and other textile workers, when first the Act of 1833 applying only to persons under eighteen, and then the Ten Hours Act of 1847 applying to both women and children, failed to meet their expectations and to bring the ten-hour day for all. They quickly became convinced that the only way to enforce the law and to accomplish their wish was to fix a normal day with definite limits and, if possible, to restrict the hours during which the machinery could be operated.[1]

So in the United States, especially in New England, where the textile and shoe workers have been most numerous and active, the demand for the ten-hour day before the Civil War, and that since for the fifty-four-hour week, and now for the forty-eight-hour week, has been mainly due not to a desire to exclude or handicap the women-workers, but to the hope of securing a higher standard for all.[2]

Government employees have also been regarded as proper subjects for legislative assistance, partly because their position is weak for bargaining purposes—a strike against the government is not likely to be popular—and partly because of a desire to make the government a model employer. The National Labor Union was influential in getting the first eight-hour law for federal employees passed in 1868; and other organizations have been active ever since in trying to extend it and to make

[1] Hutchins and Harrison, *op. cit.*, pp. 55, 57, 65, *et seq.*, 109, *et seq.* Webb, *Industrial Democracy*, pp. 338, 348-349.

[2] The general ten-hour laws passed, beginning with New Hampshire in the forties, were almost meaningless because of the "contracting-out" privilege. Ben Butler participated quite actively in the ten-hour campaign in Lowell, Massachusetts, from 1849 to 1852; but the first ten-hour law there was the one sponsored by the Knights of St. Crispin in 1874. Cf. Commons and Associates, *History*, vol. i, pp. 536-546; *Butler's Book*, pp. 90, 109; McNeill, *Labor Movement*, p. 130, *et seq.*; Ely, *Labor Movement*, p. 68; Commons and Andrews, *Labor Legislation* (1916), pp. 68-69, and chap. v.

it really effective against overtime.[1] Eight hours is a day's work in public employment, according to the laws of a majority of the states and the ordinances of most of the cities.[2] Indeed, in many of the large cities of the United States there has long been an interesting mixture of unionism and politics in the labor policy of the department of public works. The restriction forbidding the use of the Taylor system or any stop-watch system in navy yards and arsenals, which the American Federation has been able to get inserted several times in appropriation bills, is doubtless an expression of the desire to make the government an example for other employers to follow.[3]

The Post Office Clerks, Letter Carriers, the National Federation of Federal Employees, and the Railway Mail Association are organizations of government employees affiliated with the American Federation of Labor; but two of them, at least, have clauses in their constitutions expressly stating that they depend upon the right of petition and upon legislation for redress of grievances, and have no intention of striking against the United States government.[4] Hence the Federation has constituted itself in a peculiar sense the guardian of these bodies, has demanded that the right of petition shall always be kept open for them, and has supported them in obtaining retirement pensions, a Saturday half-holiday, and pay increases.[5]

[1] Powderly, *Thirty Years of Labor,* p. 88; McNeill, *op. cit.,* p. 130; *House Report* no. 957, 55th Cong., 2d sess.; *Report of the U. S. Industrial Commission,* vol. xix, p. 763, *et seq.; American Federationist,* vol. vii, p. 208; vol. viii, p. 139, etc.

[2] Cf. United States Bureau of Labor Statistics, *Bulletin* no. 292, index, pp. 126-127. Constitutionality is not usually questioned in the case of a government's own servants, but in 1904 the Court of Appeals of New York held that a state law was unconstitutional so far as it compelled municipalities to give the eight-hour day on public work (People *v.* Grout, 179 N.Y., 417). Cf. the prevailing decision in Atkin *v.* Kansas, 191 U.S. 207.

[3] *Proceedings,* 1918, p. 121, etc.

[4] *Constitution of the National Federation of Federal Employees* (1919), art. II, sec. 2; *Constitution and By-laws of the National Federation of Post Office Clerks* (1912), art. II, sec. 2. Cf. Spero, S. D., *The Labor Movement in a Government Industry* (New York, 1924), pp. 48-50.

[5] *Textbook of Labor's Political Demands,* 1906, p. 6; *Proceedings,* 1922, p. 350; 1923, p. 358.

The Boston police, at the time of the strike in 1919, had just affiliated with the American Federation in the hope that it would act as spokesman for their grievances in the matters of pay, hours, and quarters which seemed very real to them. And it was the discharge of some nineteen of their number for such affiliation that provoked the strike. The Federation is not among those who make heroes of Commissioner Curtis or Calvin Coolidge, then governor of Massachusetts.[1] A very similar event occurred in London in 1919 when the police who had organized themselves into the Police and Prison Officers Union went on strike and the government passed a law forbidding the police in future to belong to any trade union or to participate in any trade dispute. The Labor Party protested against the refusal of the authorities to reinstate the men who went on strike, and has endeavored to get the law repealed.[2] Many of the public servants in England are organized and have been given the privilege of submitting their claims collectively to arbitration.[3]

Other workers that have approached the status of wards of the state whose working conditions are to be regulated by law are the employees of public service industries, notably *railwaymen and seamen.* While the right of railway workers to strike has not been denied by law (often as this has been advocated), it must be confessed that the right often means little more than a threat. Public opinion is from the first against such a step; and when it does feel favorably disposed toward the cause of the Brotherhoods or other railroad employees, prefers to grant concessions through arbitration or by law, as in the Adamson Act of 1916, rather than to have the matter come to a break. Hence there is a great body of legislation affecting hours of labor on the railroads. Full-crew laws, which have been secured in about half of the states, are ostensibly passed (like laws requiring boiler inspection), in the interests of safety for crews and traffic (passenger or other-

[1] Cf. *Proceedings,* 1920, pp. 197-200.
[2] *Report of the Twenty-second Annual Conference,* 1922, pp. 237-238.
[3] Cf. Blanshard, *British Labor Movement,* pp. 60, 86.

wise); but they often seem to the railroad manager a wasteful form of "make-work" restriction of output.[1]

Seamen are not only handicapped, like other migratory workers, in organizing and carrying on collective bargaining, but, chiefly for historical reasons, have been in a legally authorized state of semi-slavery in all countries. Their contracts, however entered into, were enforceable by imprisonment, and the disciplinary powers allowed to officers of a ship were practically military in their scope. With such legal disabilities it was but natural that recourse should be had to legislative remedies. It was a long fight against great odds, not the least of which was the comparative indifference of mere landlubbers. But Andrew Furuseth, President of the International Seamen, proved one of the ablest and most persistent of labor lobbyists before Congress; and for years he had the support of the American Federation, until finally in 1915 the Seamen's Act was passed. This law abolishes arrest and imprisonment for desertion, it regulates the making of contracts, the payment and assignment of wages, sailors' lodging houses, the size and qualifications of the crew, quarters on shipboard, food, and many other details of the seaman's life, where he has everything to gain from the law's protection. It is a major reason for the support which organized labor gave to the political aspirations of Robert Marion La Follette, who sponsored the bill in Congress and whose name it commonly bears.[2] It places America far ahead of other countries in the protection given to seamen—some claim, so far ahead that we are not likely long to have either ships or seamen.

There is still one other group that seems to have made special claim to legislative attention both abroad and in this country, namely the *miners*. This springs no doubt from the extreme hazard connected with their occupation, the inter-

[1] United States Bureau of Labor Statistics, *Bulletin* no. 292, p. 142. For the arguments of the railroads see "Statement Issued for Thirteen Railroads in Pennsylvania and New Jersey on the Full Crew Law" (mimeographed); New York *Evening Post*, April 8, 1914; New York *Times*, March 10 and 23, 1915.

[2] *A. F. of L. History*, pp. 345-349; Commons and Andrews, *Labor Legislation* (1916), pp. 44-45, 342-344; Carroll, *Labor and Politics*, pp. 87-92; Albrecht, *International Seamen's Union of America* (United States Bureau of Labor Statistics, *Bulletin* no. 342), pp. 17, 29, *et seq.*

mittent character of the work, and the difficulty of building up any organization that is able to cope with all the uncertainties, as well as with the mining corporations, single-handed. Indeed, both these reasons were admitted by the United States Supreme Court as cause for upholding the Utah eight-hour law for men working in mines and smelters.[1] In Great Britain, and to a somewhat less degree in the United States, the political efforts of the miners have had the advantage of relatively large numbers concentrated in given areas, so that they were the first and for a considerable period the only group of workers to have direct representation in Parliament by men of their own number, and certainly were among the first to elect members of legislatures and of Congress on this side.[2] Mr. and Mrs. Webb have pointed out how the miners of Northumberland and Durham, who were the prime movers in obtaining a succession of Mines Regulation Acts, later, when they were able to secure better terms through collective bargaining, forsook dependence upon legislative methods, and surrendered the leadership in this direction to the rival faction combined in the Miners' Federation.[3] In fact, when the eight-hour shift was established for coal mines by act of Parliament in 1908, the northern miners had already obtained better conditions than those provided by the law. But the two factions joined hands the same year, and the Seven Hours Act, passed in 1919 on the recommendation of the Sankey Commission, introduced substantial uniformity in hours for all districts.[4]

2. MEASURES OF MORE GENERAL APPLICATION

Several of the specific measures in labor's political platform have been touched upon incidentally in noting the different groups to which legislation is most frequently applied. Still other measures are of more general application and have been thought necessary because the matters to which they relate

[1] Holden *v.* Hardy, 169 U.S., 366. Cf. Commons and Andrews, *op. cit.*, pp. 240-242.

[2] Cf. Webb, *Industrial Democracy*, pp. 260-261.

[3] *Ibid.*, p. 261-262; *History of Trade Unionism* (1920), pp. 391-392.

[4] Rowe, *Wages in the Coal Industry*, pp. 37, 115-118. The Eight Hours Act of 1908 was "the first instance in which the law has interfered to limit the hours of adult men." (*Economist* (London), July 3, 1909, p. 6.)

are beyond the scope of collective bargaining, even by the strongest unions. Taken together, they cover practically the whole gamut of labor grievances.

The anxiety to prevent or to curtail unemployment accounts (as we saw to be true of trade union methods) for a whole group of these demands. This, at least in recent times, has been the root motive for seeking the shorter working-day, either indirectly by legislation for women and children, or directly, as with the miners. It has doubtless been a factor, although not the one most openly avowed, in the demand for full-crew laws upon trains and ships. The requirement that a man must have two years' experience in mining before he can obtain a license as a miner in Pennsylvania is perhaps no more than the safety of fellow-workmen demands; [1] and the examination for barbers in some states is perhaps none too strict. But both of these and other similar requirements are likely to strike the outsider as savoring of special privileges and a desire to restrict the entrance to a trade. The long-continued and hitherto largely fruitless agitation conducted by the American Federation of Labor against the contract system for prison labor, and to obtain federal legislation preventing the unfair competition of convict-made goods entering into interstate commerce, is obviously prompted by fear of unemployment and of the breaking down of standards in trades carried on by free labor.[2]

But the most striking instance of action on this motive in American legislative history, and one which might well be called defensive as well as restrictive, is that of the immigration acts. Immigration, if we except certain early military expeditions, has never been a burning question in England, although the "exclusion of alien immigrants" has been one of the demands of the Boot and Shoe Operatives.[3] In America, however, as we noted in an earlier chapter, the influx of foreign

[1] Thompson, *Penn. Mining Statutes,* p. 254, *et seq.*

[2] *A. F. of L. History,* p. 185, *et seq.; Proceedings,* 1922, p. 104; 1923, pp. 90-91, 356; "The Prison Labor Issue" (editorial), *Shoe Workers Journal* (Boston), March, 1915, pp. 17-18.

[3] Webb, *Industrial Democracy,* p. 252.

labor with low standards of living or almost none at all has sometimes been so great as to swamp certain trades and to make organization for the time being impossible. Hence the consistent and emphatic stand which all labor organizations in America, even those composed chiefly of the foreign-born themselves, for Chinese and Japanese exclusion, for the Contract Labor Law in 1885, for the literacy test in 1917, and for the quota laws in recent years—anything that will serve to "dam the flowing tide."

In this category, also, of measures intended to relieve unemployment and to protect union standards has been the demand for free employment agencies or exchanges, and for the regulation of private agencies. The American Federation has naturally stressed this issue chiefly during periods of grave unemployment, such as those of 1894 and 1914, and as a reconstruction plank after the War. It protested strongly against the curtailment and practical abolition of the federal Employment Service which had been so widely extended during the war-period.[1] Public work, to be planned ahead and undertaken during such periods of general distress, has been frequently urged by the Federation, and still oftener by local central bodies.[2]

The entire program of the British Labor Party in the general elections of 1922 and 1923 was centered upon unemployment which had become such a pressing issue that no party could ignore it. The well-supported contention of the leaders of the Labor party that the chief cause of the depression lay in the wrong-headed foreign policy of the existing government did more than anything else to make the party a real national organization able to appeal for the votes of all liberal-minded persons. Their chief proposal, therefore, in addition to such palliatives as more liberal and extended unemployment insurance payments and the expansion of public works,

[1] *Proceedings,* 1919, p. 281; *A. F. of L. History,* p. 225. British unions were for a long time inclined to look askance at the Board of Trade employment exchanges established in 1909-10, and considerable concessions were made in the Act to overcome their fears of "scab" labor. (Cohen, *Insurance Against Unemployment* (London, 1921), pp. 178-179, 191, *et seq.*)

[2] *Proceedings,* 1908, p. 258; 1912, p. 355; 1919, p. 116.

was the pacification of Europe and the restoration of trade.[1] And that is the policy which the MacDonald government steadily pursued, with no little success, after it was called to office early in 1924.

It does not appear that, with one exception, those forms of governmental aid and regulation which are now usually comprehended under the term "social insurance"—workmen's compensation, old-age pensions, health insurance, and insurance against unemployment—have usually been adopted initially and primarily at the behest of the workers themselves. Labor has, indeed, often supported these measures—more uniformly in Great Britain than in America—and, once the systems have been established, has struggled to have their terms made more liberal and inclusive. But the parliamentary history of most of them indicates that the popular sentiment behind them, and to which politicians have responded, has been quite analogous to that which, at an earlier period, prompted the revision of the poor laws and the improvement of various other charitable institutions. In so far as they were a response to labor agitation, it was mainly to that diffused and rumbling discontent which had not yet formulated specific remedies for its troubles, or which threatened to take directions that might lead to disorder.

The one notable exception referred to is *workmen's compensation*. Labor has actively promoted this reform from its tardy beginnings until it has now come to be almost universally accepted as a part of the industrial code. Here was a situation which obviously demanded a statutory remedy. The inequalities and injustices resulting from an arbitrary application of the common-law defenses (contributory negligence, assumption of risk, and fellow-servant) to accident cases arising under modern industrial conditions, the wasteful litigation often involved, and the fact that no adequate in-

[1] See manifesto issued by National Executive of the Labor Party, *Daily Herald* (London), October 26, 1922, p. 1. Henderson, Arthur, "What the General Election Means to the Workers," *Labour Magazine* (London), December, 1923, pp. 340-341; Buxton, "The Betrayal of Europe," *Labour Magazine*, December, 1923, pp. 346-347; editorial, *Labour Magazine*, June, 1924, pp. 72-75 (insurance payments).

centive was thus given to the employer to make his works safer, all constituted a grievance that was beyond the reach of mere unionism or collective bargaining.

Hence we find the British Trades Union Congress as early as the seventies under the influence of the miners and railwaymen, making an effort to obtain the abrogation of the defense of "common employment" (fellow-servant), which placed the workman at a disadvantage in obtaining damages much greater than that of a complete stranger. Trade union members in Parliament introduced employer's liability bills year after year, until in 1880 a Liberal government granted a partial remedy. The evil of "contracting out," however, largely nullified the Act and called for renewed agitation. Not until 1897, this time by the Conservative Ministry headed by Chamberlain, was the principle of workmen's compensation proper—the liability of the employer for injuries received in the course of employment, regardless of contributory negligence—fully accepted.[1] Later legislation in this field demanded by labor in England has been for the extension of this measure to all industries and for larger payments than those first provided.[2]

In America, also, at first evidently in imitation of the British Act of 1880, compensation legislation has been urged by the Federation and its constituent bodies from the very beginning. But it took nearly a quarter of a century of agitation before the first act was passed by Congress (1906), and thirty years before the first effective state laws were secured in 1911. Since then progress both in the matter of obtaining laws in backward states, and in realizing the standard of two-thirds of wages in the more advanced states, has been more rapid and satisfactory. There are still dark areas in the South, and the District of Columbia is still (1926) outside the fold.[3]

[1] Webb, *History,* pp. 364-366; *Industrial Democracy,* pp. 367-391; *Railway Review* (London), May 18, 1923, p. 1.

[2] Cf. *Report of Twenty-second Annual Conference of the Labour Party* (1922), pp. 100, 105, 236-237; Shaw, T., "Workmen's Compensation," *Labour Magazine,* November, 1923, pp. 306-307.

[3] Downey, *Workmen's Compensation,* pp. 14-15; *A. F. of L. History,* pp.

Such advanced measures, however, as the British Old Age Pension Act of 1908 and the comprehensive National Insurance Act of 1911 owe more to David Lloyd George, then Chancellor of the Exchequer, than they do to the efforts of the Labor Party. It is true that all of the problems involved had been sufficiently discussed and investigated by royal commissions, so that it was apparent that something must be done. But it remained for the Welsh statesman to make an adroit selection from Continental—especially Norwegian and German—acts and, through consultation and compromise, to harmonize the various interests. The Labor Party was taken into council, and the trade unions could not well refuse to support an act which not only gave them a large governmental subsidy, but promised greatly to increase their membership by making them administrative units for carrying it into effect. Ramsay MacDonald, in promising the co-operation of the forty-two Labor Party members, said:

> We—the Labor Party—may have to disagree with some of the details. We probably shall; but nevertheless we shall not disagree with the Chancellor of the Exchequer on this point. He has viewed the problem largely and as a whole, and has produced a scheme which touches the problem very generally all along its lines.[1]

At the Labor Party conference early in 1911 there had been some objections to the compulsory or bureaucratic features of the Insurance Bill, but the vote of the conference was decidedly favorable. As Dr. Cohen expresses it:

> Instead of feeling compelled to accept old-age pensions, workmen's compensation, sickness insurance, or unemployment insurance as something forced upon him (the British workman) by *force majeure,* they become to his mind objects for which he himself has been striving.[2]

408-410; American Association for Labor Legislation, *Standards for Workmen's Compensation Laws* (pamphlet) (New York, 1924); Clark and Fincke, *Workmen's Compensation Legislation in the United States and Canada,* United States Bureau of Labor Statistics, *Bulletin* no. 272 (1921), esp. pp. 7-20.

[1] Quoted in Porritt, "The British National Insurance Act," *Political Science Quarterly,* vol. xxvii (1912), p. 264. Cf. *Ibid.,* pp. 262-264; Foerster, "British Insurance Act," *Quarterly Journal of Economics,* vol. xxvi (1911-12), pp. 275-280; Harris, *National Health Insurance in Great Britain, 1911-1921* (United States Bureau of Labor Statistics, *Bulletin* no. 312 (1923)).

[2] Cohen, *Insurance Against Unemployment,* p. 228. Cf. also pp. 223-231.

The attitude of American labor toward social insurance legislation has been even more unsettled and equivocal. Old-age pensions for government employees have, of course, been generally advocated; and the miners, especially, have urged general old-age pension acts in several states.[1] But Mr. Gompers' support of such a measure was confined to a denial that he was secretly opposing it.[2] Health insurance has been repeatedly endorsed by some twenty state federations, including those of New York, New Jersey, Ohio, Illinois, Minnesota, Wisconsin and California, and by the Typographical Union, the Textile Workers, the Bottle Blowers, Operating Engineers, Carmen, and many other national unions. Leaders like the late John Mitchell, James M. Lynch of the printers, James Duncan of the Granite Cutters, and William Green, when secretary of the Mine Workers, have expressed themselves favorably toward it.[3] But Mr. Gompers and others high in authority have been obdurate. Their jealousy and solicitude for the independence of the unions has made them fearful of all legislation that savors of paternalism. The late President Stone of the Brotherhood of Locomotive Engineers, in reporting the adverse position of his own organization and of the National Civic Federation of whose department on social insurance he was chairman, accused a "group of social reformers" of "attempting to foist upon labor a pernicious system of compulsory health insurance."[4] Timothy Healy, President of the Stationary Firemen, was the author of a resolution presented to the Civic Federation and adopted by it

[1] Budenz, "For the Veterans of Industry," *Labor Age* (New York, April, 1924), p. 23; *United Mine Workers Journal* (Indianapolis), August 15, 1924, pp. 7, 11; October 1, 1924, p. 11; *American Labor Legislation Review*, vol. xiii (1923), p. 319. Such acts have been passed in Nevada, Montana, and Pennsylvania, but the act in the latter state has since been declared unconstitutional.

[2] *American Labor Legislation Review*, vol. xiii (1923), p. 49.

[3] Andrews, *Health Promotion Through Legislation for Health Insurance* (pamphlet), p. 2; New York State Federation of Labor, *Health Insurance: Official Endorsement* (1918), p. 15; same, *Ninth Report of Commission on Health* (1920) (Lynch); Murphy, *Health Insurance Endorsed by Workers* (leaflet) (1918).

[4] Stone, "Compulsory Health Insurance Legislation," *National Civic Federation Review* (New York), February 15, 1919, pp. 5-8. Cf. Gompers and Stone in National Civic Federation, *Compulsory Health Insurance* (New York, 1917), p. 5-16.

in 1917, declaring that "compulsory health insurance is strongly opposed by organized labor, which rightfully considers such a measure to be a menace to its economic interests and a needless interference with its personal freedom." [1] Mr. Gompers' hostile comments upon a social insurance resolution sponsored by Congressman Meyer London before the House of Representatives in the spring of 1916 were unfortunately complicated by his ancient controversy with the socialists; but he reiterated his statements frequently enough elsewhere to leave no doubt of his antagonism. Upon that occasion he pointed to the struggle which the workers had to get free from "the tentacles of governmental agencies," and dwelt upon the provisions which the unions as voluntary organizations have themselves made for insurance against sickness, invalidity, unemployment, and old age. "I am apprehensive," he said, "that the attempts of government under the guise of compulsory social insurance for the workers . . . will result in every government agent going into the homes and lives of the workers as a spy." [2] The real need, as Mr. Gompers and other old-line unionists have seen it, is for better organization, higher wages and the extension of benefit features already in force.[3] There are, indeed, some indications that the Executive Council of the Federation has for some years past used tactics precisely similar to those which it has so often charged against Congress for delaying and pigeonholing this troublesome question in succeeding conventions.[4]

This much is fairly certain, that until organized labor takes a more positive stand in favor of social insurance its general adoption is improbable.

The wage question has played such a prominent part in labor agitation that it would be strange indeed if it did not appear in the legislative field. Yet of all the elements or conditions of toil this is the one that is felt by all parties to be

[1] Quoted by Grand Chief Stone as above, p. 5.

[2] Gompers, "Voluntary Social Insurance *v.* Compulsory," *American Federationist,* vol. xxiii (1916), p. 680. Cf. *ibid.,* pp. 333, *et seq.,* 453, *et seq.,* 669, *et seq.;* vol. xxvi (1919), pp. 35-37.

[3] Cf. Hamilton, Grant, "Trade Unions and Social Insurance," *American Federationist,* vol. xxiv (1917), pp. 122-125.

[4] *Proceedings,* 1919, pp. 144-145; 1920, pp. 176, 387; 1921, pp. 147, 310-311.

least susceptible of statutory regulation. Its adjustment, like that of other prices, requires a degree of freedom and elasticity which is quite foreign to the method of legal enactment, and must therefore be left mainly to the working of purely economic forces. Some legal safeguards of various aspects of the payment of wages, however, have been sought by labor; and, in minimum-wage laws for certain groups, this protection has been further extended to the matter of rates.

A mechanic's lien law was one of the demands which the Evans brothers placed on the heading of *Young America* about 1830; and it was one of the first measures endorsed by the American Federation.[1] It has now come to be generally recognized that the wage-earner is least able to stand a loss or to press his claims, and that he ought therefore to be made a preferred creditor.[2] The first "truck act" in Great Britain greatly antedates the modern labor movement, having been passed in 1464; but, especially among the miners on both sides of the water, the "tommy shop," or company store and payment in scrip, has remained a grave cause of complaint and an object for further legislative regulation or prohibition.[3]

The right to hire a checkweighman from their own number was secured by the miners as a clause in the British Mines Regulation Act of 1860, and this has been much strengthened by subsequent legislation.[4] The miners of Pennsylvania obtained such protection in the anthracite mines in 1875 and in

[1] Ely, *Labor Movement,* pp. 41-42; *Proceedings,* 1881, p. 4.

[2] *Labor Laws of the United States* (United States Bureau of Labor Statistics, *Bulletin* no. 148 (1914)), vol. i, pp. 27-29.

[3] A conference of British miners called attention to the evil in 1863; and the abolition of truck was demanded by the Parliamentary Committee in the early seventies. The act of 1887 was, however, sponsored by Charles Bradlaugh. A more general law was obtained in 1896. (Webb, *Industrial Democracy,* pp. 317-318 (note), 799; Jevons, *British Coal Trade* (London, 1915), pp. 446-447, 454.) Pennsylvania and Colorado among the leading mining states prohibit company stores, as do Maryland, Massachusetts, New Jersey, and New York. Many other states attempt to regulate prices or to prevent coercion. (United States Bureau of Labor, *Bulletin* no. 292, index, pp. 115, 138; *A. F. of L. History,* p. 384; Commons and Andrews, *Labor Legislation* (1916), pp. 55-56.)

[4] Webb, *History,* pp. 302, 304.

the bituminous mines in 1883.[1] The frequency with which wages shall be paid has likewise been a subject upon which the aid of the law has been sought; and an interval of not more than two weeks has been commonly prescribed.[2] The right of a seaman to draw one-half of the wages due him in any port was one of the emancipatory provisions of the Seamen's Act of 1915.[3]

Labor itself was in no sense a pioneer in the agitation for minimum-wage legislation. Rather, as in social insurance, its attitude both here and abroad was either one of comparative indifference or of interrogation, if not of outright opposition. In both countries this legislation was originally aimed at the sweatshop conditions long known to prevail in the lowest-paid unorganized trades; and its support in the first instance came mainly from various groups of social reformers —in England notably the Anti-Sweating League and the Women's Trade Union League; in America the Consumers' League, the American Association for Labor Legislation, and the Women's Trade Union League.[4] Imitation again had a considerable part in shaping the measures adopted. The special committee of the House of Commons which reported upon the Sweated Industries Bill in 1908, and the Trade Boards Act itself in 1909, were obviously influenced by the wages boards plan which had been in operation in Victoria, Australia, since 1896. And the report of the Massachusetts Minimum Wage Commission, which led to the passage of the first wage law in the United States in 1912, was, in turn, plainly acting upon the basis of both Victorian and British

[1] Thompson, *Pennsylvania Mining Statutes*, pp. 388, 392.

[2] Thompson, *op. cit.*, p. 395; United States Bureau of Labor Statistics, *Bulletin* no. 292, p. 138; Commons and Andrews, *op. cit.*, pp. 50-52.

[3] Albrecht, *International Seamen's Union*, pp. 42-44.

[4] Cf. Lyttelton, "Wages Boards," *Contemporary Review*, vol. xcv (1909), p. 266, *et seq.*, referring to the influence of the Sweated Industries Exhibition in 1906 in starting the demand for a wages board in the fives and racquet ball trade; Whittaker, "A Minimum Wage for Home Workers," *19th century*, vol. lxiv (1908), pp. 506-524; Webb, *History*, p. 494; Kelley, Mrs. Florence, "Minimum Wage Boards," *Conference of Charities and Correction*, 1912, p. 396, on the part of the Consumers' League in bringing about legislation in Massachusetts.

example and experience. Other states rather quickly imitated Massachusetts with some variations.[1]

British labor to-day is fully convinced of the beneficent effects of the Trade Boards Act, has given its support to the wide extension of the system, and has protested against all attempts or proposals to curtail the powers of the boards or to decrease their number.[2] A partial application of the minimum-wage idea was obtained by the Miners' Federation as an outcome of the coal strike of 1912, and the miners have since urged a more general law tending to equalize wages in different districts.[3] In 1921 the Trades Union Congress established a Trade Boards Advisory Council, to bring about better co-ordination between the boards and "the policy of the Trade Union movement as a whole."[4] The Trades Union Congress of 1924 declared, indeed, for a legal minimum wage in every industry. Any possible doubt or jealousy that it may have had at an earlier period has been dissolved when it has seen the decisions of these boards repeatedly become the foundation for effective organization in trades that had previously been hopelessly submerged. Doubtless, therefore, Ramsay MacDonald will not feel called upon to republish an article which he wrote in 1908 questioning the effectiveness of wages boards as a cure for the sweating evil.[5] In Great Britain, at any rate, legislation and unionism are no longer regarded as rival weapons, but as complementary methods of reaching the same goal.

The first declaration of the American Federation of Labor upon the minimum-wage question was made in 1913 after

[1] Cf. Holcombe, "British Minimum Wages Act of 1909," *Quarterly Journal of Economics,* vol. xxiv (1909-10), pp. 574-577; Evans, Mrs. Elizabeth Glendower, "A Case for Minimum Wage Boards," *Survey,* vol. xxxi (1913-14), pp. 440-441; Andrews, Irene Osgood, *Minimum Wage Legislation* (Albany, 1914), esp. pp. 7-10.

[2] Cf. *General Council's Report,* 1922, pp. 99-116; *Report of the Twenty-second Conference of the Labour Party,* p. 237; *Daily Herald* (London), December 28, 1922, p. 1; December 29, 1922, p. 5.

[3] Jevons, *British Coal Trade,* chaps. xix-xx; Rowe, *Wages in the Coal Industry,* chaps. v-vi.

[4] *The Labour Year Book,* 1924 (London), pp. 56-67.

[5] MacDonald, J. R., "Sweating and Wage Boards," *19th Century,* vol. lxiv (1908), pp. 748-762.

the passage of the Massachusetts act. The convention of the previous year had referred the matter to the Executive Council for investigation. Its report to the 1913 convention reviewed the progress of such legislation and the arguments made for it, and admitted that, because of the greater difficulty of organizing women-workers, there might be some need of legal protection for them. But lest this might be construed into an endorsement of the general policy, the Council added that:

> If it were proposed in this country to vest authority in any tribunal to fix by law wages for men, labor would protest by every means in its power. . . . The principle that organization is the most potent means for a shorter work-day and for a higher standard of wages applies to women equally as to men.[1]

The Convention was, accordingly, asked to instruct the Council to "watch developments." That this attitude so far as the great central body itself is concerned has not materially changed in a decade is indicated by the comments of the Council upon the adverse decision of the Supreme Court in the District of Columbia minimum-wage case in 1923. The decision is there discussed much more as an evidence of the perversity of the court than as constituting any real calamity for the women workers. Instead, the old moral is restated that "the A. F. of L. has consistently maintained that the only agency in which wage-earning women could place absolute confidence is economic organization." [2]

[1] *Proceedings*, 1913, pp. 59-63, esp. p. 63; 1912, p. 251. Cf. Gompers, *American Labor Movement* (pamphlet), p. 30; Clark, *Minimum Wage Laws of the United States* (United States Bureau of Labor Statistics, *Bulletin* no. 285 (1921)), p. 12.

[2] *Proceedings*, 1923, pp. 55, 73-76. The sentiment of many local bodies and affiliated unions is unquestionably more favorable.

CHAPTER XX

POLITICAL METHODS

1. THE ALTERNATIVES

ORGANIZATION is just as necessary for success in politics as it is in business. Indeed, although the sphere of operations is different, and while mere numbers count for more in politics, the methods and processes used by labor in both fields are much the same. Legislation involves higgling and bargaining and compromise between conflicting interests and opinions, just as much as does the adjustment of wages or other items in an employment contract. The rise of the so-called "bloc system," with a farmers' bloc, a labor bloc, a Wall Street bloc, and all the rest, only makes the parallelism more striking. Out of all the chaos and confusion, the government, as a kind of impartial chairman or co-ordinating force, is supposed to hold the balance of justice even and to arrive at something like harmony and the common good of all. But it remains true that a good cause often suffers through imperfect utterance, while a less worthy one sometimes prevails because its exponents have a better knowledge of the ropes and because its machinery works more smoothly and noiselessly. Labor finds that if it is to safeguard its political interests it must have men and organization as well as right and reason upon its side.

Yet effective political organization on the part of labor has been exceedingly slow in its development, and very difficult to maintain. Labor has long dipped into politics, and has sometimes been well-nigh immersed in it. But the need for such activity has usually seemed intermittent; and it has been looked upon as something to be resorted to only when other methods have failed or when their exercise has been seriously

interfered with by governmental authority. In the beginning, at any rate, it usually runs counter to old prejudices and traditional party alignments, and involves a degree of independence of which only the best-informed and courageous citizen is capable. Politics has often proved a cause of dissension and discord within union ranks; and the deterring influence of past failures and disappointments has not been neglected by old-line union leaders.

Within the past twenty or twenty-five years, however, both British and American labor groups have developed and pursued fairly definite political policies; and in no other respect has the contrast between the labor movements of the two countries been of late more frequently and vividly drawn. Briefly, the British workers have, as we know, united with their friends and sympathizers to form an independent party; and this party has grown so rapidly in the number of its adherents and in Parliamentary strength that for some nine months of 1924, although still a minority, it carried on the government; and at other times it seems definitely to have supplanted one of the old parties as "His Majesty's Opposition." The American Federation of Labor, on the other hand, although some of the restless spirits within its ranks have cast admiring eyes across the sea, and although some of the central labor unions and state federations have at times carried on flirtations with local labor party movements, has held persistently to the less spectacular policy of keeping its options open, and of extracting what promises and support it could from existing parties.

2. THE RISE OF THE BRITISH LABOR PARTY

A survey of the history of British labor politics lends, indeed, some ground for the contention often made that the difference between the two countries in this matter is again chiefly one of stages of development. For, while it is true that British labor was much later in securing universal suffrage than American, the very struggle which it had to make to obtain each extension, together with the more advanced industrialization of the country, the greater economic pressure,

and the massing together of the working population, was enough to bring about an earlier awakening of political consciousness and an earlier development of political organization. The apparent failure of the Chartist movement in 1848, following other failures in the same direction, did cause a loss of faith among the rank and file in political methods; but the London Junta, with Alexander Macdonald of the miners, Alexander Campbell of the Glasgow trades, and other provincial leaders, were still strongly interested in obtaining legislative redress; and under their influence

> . . . the London unions, and eventually those of the provinces, were drawn into a whole series of political agitations, for the franchise, for amendment of the Master and Servant law, for new mines regulation acts, for national education, and finally for full legalization of the trade unions themselves.[1]

And the tactics relied upon in England at this period of the sixties and seventies were very similar to those now being employed by the American Federation of Labor. They sought to bring pressure to bear upon the existing parties rather than to start an independent movement of their own. In the elections of 1868 under the auspices of the London Workingmen's Association, and again in 1874 under those of the Labor Representation League, a few labor candidates were put forward; but they ran uniformly as Radicals or Liberals, not as spokesmen of labor as a class or party.[2] The method of urging discrimination at the polls between candidates favorable and those unfavorable to labor was still more largely used. The prospectus of the Labor Representation League issued in 1869, while declaring the principal duty of the organization to be "to secure the return to Parliament of qualified workingmen," stated that:

> Beyond this, it will, where deemed necessary, recommend and support as candidates from among other classes such persons as have studied the great labor problem and have proved themselves friendly to an equitable settlement of the many difficult points which it involves.[3]

[1] Webb, *History*, p. 241.
[2] Cf. Humphrey, *History of Labour Representation*, chaps. ii-iv.
[3] Given in Humphrey, *op. cit.*, appendix i, p. 189.

The language of the manifesto drawn up by the League as a protest against the defeat of a clause in the Elections Bill of 1871 providing for public payment of official election expenses has a strangely familiar sound: "Disregard meaningless party cries, and as a first necessary step for the vindication of your claims, punish, by their exclusion from Parliament, the men who, by their political treachery, cowardice, and worship of wealth have decreed," etc.[1]

Meanwhile the method of lobbying was being applied by the Parliamentary Committee of the Trades Union Congress. As early as May, 1864, a conference of trade union leaders had been held in London at the instance of Campbell and Macdonald, had sent deputations to three members of the government, and had urged upon many members of Parliament the advisability of amending the Master and Servant Law. Sufficient pressure was exerted to get a bill introduced, later to have a select committee appointed, and in 1867 to have an act passed removing the most offensive features of the law.[2] This kind of work became the primary task of the Parliamentary Committee after the establishment of the Trades Union Congress in 1868. The weaknesses of lobbying alone were fully enough demonstrated in 1872, when the Committee was utterly unable to get a hearing upon the repeal of the Criminal Law Amendment Act. Liberal leaders, upon whom labor had hitherto relied for sympathy, proved quite insensible to its appeals. The Trades Union Congresses of 1872-74 condemned the obdurate members in no uncertain terms and as the general election of 1874 approached, the candidates of the two parties were subjected to a volley of questions calculated to show whether or no they were worthy of labor support. The Conservatives, as already noted, proved the more pliable; and the same heavy labor vote which insured the election of Alexander Macdonald and Thomas Burt as the first Liberal-Labor members of Parliament is credited with a considerable share in the overthrow of recalcitrant Liberals and the return of the Conservatives to

[1] Quoted in *ibid*, p. 44.

[2] Webb, *History*, pp. 252-253. Cf. Richards, *History of Trades Councils, 1870-1875*, pp. 15, *et seq.*, 35.

power. The trade union legislation which followed in 1875 and 1876, and some few measures applying to specific trades, were characteristic of the political aspirations of labor at this period. And both parties being reasonably responsive to the wishes of this new element in the electorate, the non-partisan method, supplemented by a limited number of workingmen candidates running usually as Liberals, proved quite adequate for the next decade or more.[1]

The nucleus of the British Labor Party is to be found not so much in these ten or a dozen "Lib-Labs" who sat in the House of Commons during the eighties and nineties as in the "new unionism" of John Burns, Ben Tillett, and Tom Mann, in the formation of the Independent Labor Party by Keir Hardie and other socialists in 1893, and in the rapid permeation of the whole labor movement with socialistic ideas. Here were revolutionary class elements which could neither be satisfied by old-line trade unionism nor placated by such moderate concessions as the old parties were willing to make, and which, therefore, called more and more strongly for an independent political organization. Local labor parties and candidacies date from 1885, when John Burns ran at Nottingham as a Social Democrat. Keir Hardie first ran at a by-election in Mid-Lanark in 1888. The Scottish Labor Party was organized under his leadership in 1889, and similar local or sectional bodies soon sprang up elsewhere. In the election of 1892 three independent labor men were chosen—John Burns of Battersea, Keir Hardie for West Ham, and J. Havelock Wilson for Middlesbrough. This success encouraged the taking of steps to combine the various local organizations into the I. L. P., and to increase the number of independent candidacies at succeeding elections.

Meanwhile Burns, Hardie, Tillett, and others were agitating for socialism and for independent political action at the annual Trades Union Congress, the two ideas always appearing together. The Congress of 1893 passed a resolution moved by Ben Tillett favoring a separate fund to help return independent workingmen to Parliament and to local bodies; and

[1] Humphrey, *op. cit.*, chaps. v-vi; Webb, *History*, pp. 285-290.

upon motion of the Social Democrats declared belief in collective ownership as the proper ground for such support. In the absence of any specific provisions or organization for raising the fund mentioned, it remained only a pious wish. A temporary setback to the more radical element was given by the amendment to standing orders in 1895 excluding from the national body all delegates from trades councils. But again in 1896 the Congress endorsed socialism; and finally at the Congress of 1899 a call was issued for a special conference of representatives from co-operative, socialistic, trade union, and other working-class organizations "to devise ways and means for the securing of an increased number of Labor Members in the next Parliament." [1] This conference, held in London in February, 1900, adopted the idea of a Labor Representation Committee, which in 1906 came to be known as the Labor Party.

It would, of course, be a huge mistake to suppose that this new political organization sprang full grown from the head of Keir Hardie, J. Ramsay MacDonald, or other radical leaders who participated in the conference of 1900; or that it immediately espoused a general revolutionary program. The welding together of unionism and socialism took the better part of two decades longer. As Mr. and Mrs. Webb remark:

> It needed all the tact and patient persuasion of the leaders of both sections to convince the socialists that their ideals and projects were not being sacrificed to the stolidity and the prejudices of the mass of trade unionists; and at the same time to explain to the trade unionists how valuable was the aid of the knowledge, eloquence, and parliamentary ability contributed by such socialist representatives as Keir Hardie, Philip Snowden, J. Ramsay MacDonald, and W. C. Anderson.[2]

The passing from the stage of the great historic figure of Gladstone in 1898 had doubtless made it less of a wrench for many of the trade unionists to cast off Liberalism and take on a new political allegiance. But the break was yet far from being absolute. At the conference of 1900 itself, John Burns and G. N. Barnes had opposed any plan that would confine the

[1] Quoted in Humphrey, *op. cit.*, p. 143.
[2] Webb, *History*, p. 688.

support of labor to working-class candidates. And a compromise resolution moved by Keir Hardie himself and unanimously adopted by the conference, while declaring in favor of "establishing a distinct labor group in Parliament," also stated that the policy of this group should "embrace a readiness to co-operate with any party which, for the time being, may be engaged in promoting legislation in the direct interest of labor," and that they should be "equally ready to associate themselves with any party opposing measures having an opposite tendency." [1] The refusal of the first regular conference of the Labor Representation Committee in 1901 to require a pledge from all candidates to socialist principles and the "class war" quickly alienated from the new movement the Social Democratic Federation which believed in administering only the pure and undiluted Marxian gospel; and the refusal of later conferences to allow candidates to designate themselves as "Labor and Socialist" did not tend toward a reconciliation.[2] The friendliness of Richard Bell (one of the two labor candidates elected in 1900) and of some others, with the Liberals, prompted one of the early conferences of the Committee to enjoin candidates and the Executive Committee to refrain from identifying themselves with other parties because of the misrepresentation likely to arise from such conduct.[3]

But especially from 1906 down to 1914, not to stress the participation of Labor representatives in the Coalition government during the later years of the War, the relationships between Liberals and Laborites were not precisely those of opposition, but rather, much of the time, those of mutual respect and co-operation. In the election of 1906 itself, although there were a considerable number of three-cornered contests in which Liberals ran against Labor candidates, there were only five out of the twenty-nine successful candidates of the Labor Representation Committee who had to meet Liberal opposition. A dozen of the workingmen elected, chiefly the miners who had not yet affiliated with the Representation

[1] Humphrey, *op. cit.*, p. 146.
[2] Humphrey, *op. cit.*, pp. 157-158.
[3] Cf. Humphrey, *op. cit.*, pp. 156-157, 162-163.

Committee, were still seated as Liberals. The fairly easy and abundant harvest of labor and social legislation which followed—the Trades Disputes Act, the Miners' Eight Hours Act, the Trade Boards Act, the payment of members, the National Insurance Act of 1911, the minimum-wage act for miners, and finally the somewhat belated Trade Union Act of 1913 which attempted to repair the damage done by the Osborne Judgment in 1909—indicates that, whether appealing to fear or to sympathy, or to a sense of fairness and justice, labor was quite as successful in political bargaining upon the floor of the House of Commons as it had ever been in its economic dealings with employers.

But such success, as we know, has not mollified the workers nor decreased their belief in the necessity for independent party action. The tendency of class rivalries, as Macaulay said of religious schisms, is to widen. The tardiness and the apparent niggardliness of the redress granted, the obvious limitations of mere reform, and the hard conditions brought on by the War have not encouraged the growth of moderation nor made capitalism seem more attractive. The Labor Party emerged from the war-period more than ever resolved to do its own thinking, and to have done once and for all with coalitions and compromises. Two or three of its one-time leaders who loved the fleshpots of Egypt and who wished to stay on with the Lloyd George government were quickly read out of the party. The new constitution of 1918, permitting individuals to join as such, brought into the ranks an increased number of men and women from all ranks of life, whose education and experience and ability to grapple with problems of state compare very favorably with anything which either of the old parties can muster.

The party is now committed, so far as any party can be committed to anything long, to a far-reaching program along socialistic lines. Its program of reconstruction after the War demanded "the elimination from the control of industry of the private capitalist, individual or joint stock," and "scientific reorganization of the nation's industry on the basis of the

common ownership of the means of production." [1] A similar declaration appears in the new constitution.[2] And when Philip Snowden presented a resolution in the House of Commons in March, 1923, favoring "the gradual supercession of the capitalist system by an industrial order based on public ownership and democratic control," there was but one dissenting vote among the labor members.[3] These are proposals that come directly into conflict with old class interests and prejudices, and which cannot therefore be won by compromise or general popular consent. They can only be carried out, if at all, when the Labor Party obtains a convinced majority of the members of Parliament and is able to form a ministry in its own right.[4]

3. THE NON-PARTISAN TACTICS OF THE AMERICAN FEDERATION

Mr. Gompers was never willing to admit that the British Labor movement or that of any other country was more advanced or more successful than the one which he led for forty years. And he was most positive in asserting the superiority of the political tactics of the American Federation, which he had done so much to shape and determine. Upon the occasion of his labor mission to Europe in the fall of 1918, and when in attendance upon the British Trades Union Congress at Derby, he boasted in true Yankee style of the remarkable achievements of American labor "in improved economic standards of life and in legislative achievements both in Congress and the state legislatures"; and he tells with exultation of the reluctant admission which he obtained from Arthur Henderson, Secretary of the Labor Party, "that we had surpassed them." [5] It was his view and the view of those most closely associated with him that, since labor in Great Britain had

[1] *Labour and the New Social Order* (1918), p. 12.

[2] Labour Party, *Constitution* (1920), p. 4.

[3] *Daily Herald* (London), March 21, 1923, pp. 1-2. Cf. Walling, "Program of the British Labor Party," *Current History* (New York), vol. xix (1924), pp. 749-757.

[4] The new alignment of parties is probably foreshadowed in the *rapprochement* between the Liberals and the Conservatives in the election of October 1924, and in their demonstrated ability to work together in municipal contests.

[5] Gompers, *Seventy Years*, vol. ii, pp. 418-419.

launched an independent political party, this had come to dominate the whole movement, and that progress in the economic field had thus been seriously retarded; whereas the great virtue of the non-partisan policy of the American Federation lay in the fact that, while it had accomplished notable legislative results, it had made politics secondary, and had not endangered the independence nor destroyed the effectiveness of the trade union movement itself.[1]

This non-partisan (or, as several have suggested, more properly bi-partisan) policy which the Federation and, for the most part, its branches and affiliated unions have pursued with reasonable consistency and, since about 1906, with increasing vigor, rests upon the belief that the old political parties, the Republicans and the Democrats, or at least one or the other of them, are not hopelessly the creatures of Mammon; but that they can be harnessed and used as beasts of burden by any considerable group which exercises due persistence and speaks to them in a language which they can understand. Instead of trying to compete with these already highly developed and firmly intrenched organizations, by forming an independent labor party (which would be bound by its very existence to take a stand upon many disputed and divisive questions in which labor itself is only mildly interested, and which would be almost certain, should it survive and be at all successful, to degenerate into exactly what the old parties now are—"an organized appetite for office"), the purpose is rather to persuade one or both of these professional political bodies, or the respective candidates for office under each banner, to see their way clear to favor and adopt that relatively small number of more or less moderate demands which, in the opinion of American labor, call for legislative action. Let the competition remain between the old parties themselves instead of introducing any new and uncertain element into the contest; but, so far as these matters are concerned, let labor hold the whip-hand—the balance of power—

[1] *Ibid.*, vol. ii, p. 274; *Proceedings*, 1919, pp. 104-105; Wright, Chester M., "Labor Politics," *Current History*, (New York), vol. xx (1924), pp. 745-746; Woll, Matthew, in *Proceedings*, 1923, pp. 287-289.

and throw its support to that party or candidate which promises the most and makes the best record.

Ample precedents are found both against the policy of an independent party and in favor of this non-partisan plan. Political history, to be sure, has a way of mixing itself with propaganda; and some may not find the "frightful examples" so frequently cited by Mr. Gompers—the flickering out of the National Labor Union with the political experiment of 1872, the Haymarket Riot in Chicago in 1886, which brought disrepute upon the eight-hour movement, the disastrous consequences of the Henry George campaign in New York in 1886 (both Powderly of the Knights and Gompers of the Federation taking a hand), and the disruption which partisan politics brought to the Knights throughout their career[1]—altogether clear and convincing. But at least they are a warning. The history of the United States is strewn with the wrecks of third parties; and labor, since its early beginnings in Philadelphia and New York in 1828-30, has doubtless furnished its full share. When, as has often happened, some of the major demands of these independent movements were adopted and used as a sop to Cerberus by one of the old parties, they could not be said to have lived in vain;[2] but they could not be looked to as a permanent or reliable vehicle for the interests of labor or of any other group.

The non-partisan or bi-partisan policy, on the other hand, has long been used by business interests and by employers; and a labor movement so completely dominated by the spirit of business unionism as that represented by the American Federation was nothing loath to take a leaf from the lexicon of the opposition. Here was a chance to carry collective bargaining into legislative halls, to meet the employer on his own ground and wherever he displayed his colors, to prevent hostile legislation from being passed, and to secure emancipation from

[1] Cf. *Proceedings*, 1919, p. 102, *et seq.;* Gompers, *Seventy Years*, vol. i, p. 217; vol. ii, chap. xv. Some of the trouble seems to have sprung from politicians getting into the unions rather than from the unions getting into party politics, although the two are, of course, not clearly distinguishable.

[2] Cf. Sumner, Helen, in Commons, *History of Labour in the United States*, vol. i, p. 326.

irksome restrictions and inequalities already experienced. Furthermore, almost all if not all great reforms in other fields —the abolition of slavery, woman suffrage, prohibition of the liquor traffic—have had a way of transcending party lines and of drawing their support from all political camps. Prohibition has not always and everywhere been a favorite subject with labor leaders; but the success which attended the non-partisan, educational tactics of the Anti-Saloon League, where the Prohibition Party had dwindled away and failed ignominiously, has not escaped their notice. Undoubtedly, a certain other "League" proposition would have had a more favorable reception in the United States if it had not unfortunately become so largely a party question.

If additional proof were needed of the wisdom of the non-partisan plan of labor politics, it is to be found in its antiquity. Several, indeed, of the mythical ancestors of the Federation resorted to the practice, and their meager success is attributed to their own weakness and lack of numbers rather than to the fault of the method. A convention of farmers, mechanics, and other workingmen of New England which was held in Boston in 1832, and which included among its demands a ten-hour system, the improvement of education, abolition of imprisonment for debt, extension of the suffrage, and a mechanics' lien law, declared that such matters should be separated from the mere personal and party contests of the day, that the facts should be presented to the consideration of all citizens, and that politicians of the respective parties should be selected whose "moral character, personal habits, relations, and employments afforded the best guarantee of their disposition to revise our social and political system and introduce the reforms demanded." [1] It was the "question and answer" system which George Henry Evans and his fellow agrarians and laborites urged upon the National Reform Association in 1844, because, as Evans said, a minority party could not hope to win anyhow through its own votes, whereas the politicians were more interested in offices than

[1] McNeill, *Labor Movement*, pp. 77-78.

in measures and would endorse any measure which had enough advocates behind it to hold the balance of power.[1] Labor organizations represented in the New England Workingmen's Convention in 1846 circularized nominees for Congress and the state legislatures upon the land question, ten hours on public works, and the adjustment of salaries; and this was the method approved by the Industrial Congress which met in New York in 1847.[2] The city industrial congresses or councils which sprang up about 1850, and which had for their avowed purpose the influencing of legislation upon land and labor matters, evidently concluded also that the formation of an independent party was impracticable, that petitions and memorials alone received no attention, and that the questioning of candidates and bargaining with votes for the support of their proposals were the most effective methods.[3] The threatening and pledging of candidates, accompanied by lobbying before legislative bodies, were likewise much used by the Eight-Hour Leagues and other bodies affiliated with the National Labor Union in 1866-68; and eight-hour laws were thus secured in six states and from Congress.[4]

A tenacious memory either for its own statements or for the facts of history is doubtless not one of the necessary characteristics of modern journalism. When, therefore, in 1906 President Gompers and his associates entered the campaign against Congressman Littlefield in the second district of Maine because they thought he had treated labor very unfairly as chairman of the House Committee on the Judiciary, there was a cry of alarm and of protest from the conservative press at the "advent of class politics" and the application of "unionist standards to Congress." Mr. Gompers was referred to as "the Procurator of the Holy Synod of the Job Trust"; and it was declared that here "for the first time in the history of the United States labor unions have gone into national

[1] Hoagland in Commons, *History*, vol. i, pp. 530-531.
[2] McNeill, *op. cit.*, pp. 106-111.
[3] Hoagland in Commons, *History*, vol. i, pp. 551-559.
[4] Andrews in Commons, *History*, vol. ii, pp. 102-110, 124-126, 138-141; *Workingman's Advocate* (Chicago), April 28, 1866; May 5, 1866, p. 2; June 16, 1866, p. 2; November 10, 1866, p. 2, etc.

politics." [1] The same charges have been made repeatedly since; and at each succeeding election, as the officers of the Federation have tried to help their fellow-workers to discriminate at the polls between friends and enemies, they have had to expend no small part of their energy in showing that this was not a grave departure from the traditional policy of American labor. This was notably true in the contest of 1924, when the Executive Council saw fit to endorse the La Follette ticket instead of that of either of the old parties.[2]

That the participation of labor in politics in 1906 was nothing new, should be clear from the historical references already made; and it is almost equally clear that, while the Federation and its affiliated unions have perforce attempted to adapt the technique of the plan to changing conditions, and to make it more effective, they cannot be justly accused of having varied from the non-partisan policy.

The chief features of the plan have been suggested. The purpose of the Federation of Organized Trades and Labor Unions formed in 1881, and usually referred to as representing the babyhood of the American Federation itself, was undoubtedly much more purely political and legislative than that of the reorganized body after 1886. Its "legislative committee," whose very name suggests imitation of British models, and of which Samuel Gompers was a member, undertook to obtain the sentiments of the national committees of the Republican and Democratic parties upon labor measures, particularly upon the federal eight-hour law; and a subcommittee attended the party conventions in 1884. In both cases they were completely ignored.[3]

With the accession of the leading craft unions to the new Federation and the rising conflict with the Knights of Labor, its object came to be more and more the safeguarding of trade

[1] Cf. New York *Times*, October 26, 1906; *Open Shop*, January, 1907, p. 33; *Exponent* (St. Louis), December, 1906, statement by President Van Cleave of the Citizens Alliance.

[2] Cf., for example, editorials in New York *Times*, February 9, 1920, p. 8; March 25, 1910, p. 10; March 30, 1920, p. 10; and Mr. Gompers' protest in the same, March 29, 1920, p. 12. Cf., also, New York *Times*, August 3, 1924, sec. 1, p. 1; August 5, 1924, p. 2.

[3] Cf. Perlman, *History of Trade Unionism*, p. 113.

lines and the perfection of organization.[1] Principally, it appears, because of the efforts of the socialists to gain entrance and to use the meetings as a platform for propaganda, a decided anti-party bias was early developed. Delegates from a central body having socialist affiliations were excluded at the convention of 1890; and in 1895 a section was incorporated in the Constitution stating that "Party politics, whether they be Republican, Democratic, Socialistic, Populistic, Prohibition, or any other, shall have no place in the conventions of the American Federation of Labor."[2] The question of forming an independent labor party has again and again come up for discussion at the conventions, but has uniformly been voted down by decisive majorities.[3] At the Portland (Oregon) Convention in 1923, when dissatisfaction with old parties was perhaps at its height, when the success of the Farmer-Labor movement in the Northwest was still fresh in memory, and when the British example seemed most impressive, the debate upon resolutions in favor of a labor party, presented by the Minnesota Federation of Labor, the Pennsylvania Federation, and the Chicago Federation, occupied the greater part of a morning session; but the vote was 25,066 against as compared with 1,895 for the proposition, with 1,628 votes abstaining.[4]

Nor has chief dependence been placed upon the nomination and election of union men themselves upon the old party tickets, although in 1913, for example, there was due rejoicing that sixteen members elected to the House of Representatives, and one senator, bore union cards; and in the 1922 Convention the Committee on Legislation declared in its report that "there are at least fifty Congressional districts in this country now represented by men who are not in accord with our legislative program . . . from which trade unionists might be elected."[5] Instead, it has been recognized that there are

[1] Cf. Perlman, *op. cit.*, pp. 118-119.

[2] *A. F. of L. History*, 1919, pp. 317-318; *Constitution of the American Federation*, art. II, sec. 8.

[3] Cf. *Proceedings*, 1897, pp. 81, 101; 1901, p. 206; 1903, pp. 188, 198; 1904, p. 204; 1912, pp. 314-315; 1914, p. 329; *A. F. of L. History*, pp. 317-328.

[4] *Proceedings*, 1923, pp. 282-291. Cf. *Proceedings*, 1924, pp. 268-276.

[5] *Proceedings*, 1913, p. 56; 1922, p. 486.

dangers in allowing parties to bargain for the labor vote by merely nominating one or two unobjectionable labor men; that for a few mining or factory districts where it is possible to elect union men there are many where labor has only sufficient weight to choose between those who are friendly to its cause and those who are opposed; and, therefore, that it is only necessary to put up union men where "the candidates on both dominant party tickets are unfriendly to our cause." [1] In the state of Washington in 1922 a strong effort was made to get a labor man to withdraw from the contest for United States Senator, lest his candidacy should result in the election of the conservative Poindexter.[2] Mr. Gompers himself set what he evidently regarded as a good example for labor leaders, by several times refusing nominations and appointments to political office, and only accepting a place on the New York Factory Investigating Commission in 1912 because it was essentially non-political and because it carried no pay.[3] Doubtless he felt that such aloofness was a tribute which he owed to non-partisanship and independence—that it was better to make office-holders than to be one.

The Federation, then, has relied in the political field, as it has in the economic, chiefly upon moral suasion. Its structure and the scanty authority lodged in its Executive Council really adapt it only for that form of activity, but do adapt it for that form fairly well. Since the larger portion of legislation affecting labor must come from the states, state federations were early developed, acting under the general guidance of the Federation and of representatives of national unions, to watch developments at the state capitals, promote bills favorable to labor, and, so far as possible, to prevent the passage of bills considered inimical. Lobbying, in fact, is practically the only function of the state federations. The central labor unions, in turn, are to handle municipal matters.

But national affairs have not been neglected. In 1895, the Federation designated Andrew Furuseth of the Seamen

[1] *Proceedings*, 1922, p. 81. Cf. Walling, W. E., "Labor's Attitude Toward a Third Party," *Current History*, vol. xxi (1924), p. 34, *et seq.*

[2] *Proceedings*, 1923, pp. 52-53.

[3] Gompers, *Seventy Years*, vol. ii, pp. 84-85, 88, 95-96.

and Adolph Strasser of the Cigarmakers to act as legislative representatives in Washington during the sessions of Congress; and, after 1897 when, for like reasons, the headquarters of the Federation were moved to the capital city, Mr. Gompers himself took a hand.[1] It was in 1898 that the Executive Council first called in a body upon the President (McKinley), and then upon Speaker Reed, in order to urge labor measures, particularly an effective eight-hour law for public work. They were instrumental in having Representative Gardner of New Jersey appointed chairman of the Committee on Labor in the House; and, working in co-operation with him, in having the proper kind of bill introduced, having hearings conducted upon it and getting it passed at three different sessions by the House. But Mr. Gardner himself finally seemed to lose interest, and it became impossible to get even favorable committee action upon the measure. A similar obduracy and imperviousness on the part of the Judiciary Committee, of which Representative Littlefield was chairman, met the efforts of the Federation lobby after 1902 to secure a bill exempting labor unions from the Anti-Trust Law.

By 1906, therefore, the leaders became convinced that the cards in Washington were stacked against them, that nothing could be hoped for from the Cannon régime, and that lobbying must be seconded by electioneering. Hence the campaign against Mr. Littlefield and other offending congressmen in that year, and the more and more systematic record-keeping, questioning, and pledging of candidates which have been carried on ever since. "Reward your friends and defeat your enemies" and; more recently, "partisan to principles, not to parties" have been the favorite slogans.

Doubtless, there was another trace of imitation in calling the first special committee named by the Federation officials in 1906 to conduct the political contest the "Labor Representation Committee," the same as the British body which after the election of that year developed into the Labor Party. But the evolution here has been different, and for the sake of greater definiteness at the risk of some turgidity the name has

[1] Gompers, *Seventy Years*, vol. i, p. 379; vol. ii, p. 228, *et seq.*

since been changed to "National Non-partisan Political Campaign Committee." This committee, of which during his lifetime Mr. Gompers was inevitably the chairman and leading spirit, and which has always acted in conjunction with the Executive Council, is the lookout from the foretop which "keeps tabs" on the votes of congressmen, urges the appointment of similar committees by labor organizations in the respective states and districts, and, through numerous letters, circulars, and bills of grievances, as well as through the *American Federationist* itself, endeavors to disseminate as widely and fully as possible all the information at its disposal that would assist labor and its sympathizers in casting an intelligent ballot. Representatives of the Executive Council each presidential year attend the national conventions of the great parties, present to the platform committees, so far as they can get a hearing, the grievances and demands of labor—in 1924 some fifteen in number—and attempt to get from each party a favorable expression as to what it intends to do if it is returned to power. After all the conventions have been held, the Executive Council sits in judgment upon their platforms and nominees; and from their analysis determines and proclaims abroad which ticket, in its opinion, most deserves labor support at the polls.

Thus informed and appealed to, the workingman and woman are supposed to forego and cast aside, if necessary, all inherited or habitual political predilections, to look upon labor's rights and wrongs as the dominant issue, and to vote accordingly. If the endorsement of the Federation officials in presidential contests has more often been given to the Democratic ticket and platform—as in Mr. Bryan's three campaigns, that given to Woodrow Wilson in 1912 and most unqualifiedly in 1916, and the preferential vote for Cox in 1920—and if correspondingly more Democratic congressmen have been endorsed than Republican, the reason, according to the claims made by Mr. Gompers, is not that he and his associates were Democrats at heart (he was, in fact, originally a Republican), but that the Democratic Party for one reason or another has shown itself more responsive to labor's wishes, and

that "in recent years more Democratic candidates have been favorably disposed toward the cause of labor and freedom than have Republicans." [1]

Neither is it admitted that the official course taken by the Federation in the campaign of 1924 was any violation of the non-partisan plan. Rather it is cited as proof of real independence. In the early summer of that year the officers of the Federation made the usual round of the national conventions. They felt themselves shabbily treated by the Republicans at Cleveland. They were granted only ten minutes in which to present their grievances to the platform committee, and received no kind or encouraging words in the final document; and they had presented for their consideration as President and Vice-President two men, both of whom had doubtful records upon labor questions. The Democrats in New York were at any rate more hospitable. But the labor planks in the Democratic platform proved very equivocal and disappointing; and neither of the two candidates for President most acceptable to labor—McAdoo and Smith—were nominated.

Having thus paid their respects to the old parties, the hopes of a majority of the Executive Council and of the representatives of national unions affiliated with the Conference for Progressive Political Action turned to the La Follette candidacy. La Follette had repeatedly shown himself the friend of labor, most notably perhaps in fathering the Seamen's Act of 1915; and his platform was rich in promises upon substantially all the demands of labor. Doubtless, also, the healthy effect which their defection might have upon one or the other of the old parties in succeeding elections swayed the course taken by the officers, quite as much as any expectation of immediate victory for the new movement. The Democrats, in particular, were "in for a lesson." In the endorsement of the La Follette ticket proclaimed by the Non-partisan Campaign Committee of the Federation on August 2, there was this specific reservation:

[1] Gompers, *Seventy Years*, vol. ii, p. 77. Cf. *ibid.*, chaps. xxviii, xxxv; *Proceedings*, 1923, pp. 50-53; 1924, p. 177; Walling in *Current History*, vol. xxi, p. 36.

Co-operation hereby urged is not a pledge of identification with an independent party movement or a third party, nor can it be construed as support for such a party group or movement except as such action accords with our non-partisan political policy.[1]

And the same attitude of aloofness was preserved in the renewed rejection of the third or labor party proposal at the succeeding convention of the Federation at El Paso, as also in the program outlined and endorsed at the Atlantic City Convention in 1925.[2]

Yet there has unquestionably been a growing anxiety on the part of the leaders to reach back to the very origins and sources of political power, and to develop machinery that will carry this power all the way through. The importance of "getting into the game" at the earliest possible stage and of helping to nominate the candidates among whom they must later choose has been urged more and more upon the subordinate bodies by the Campaign Committee.[3] To this end and for the purpose of holding public officials steadily to their promises, the Executive Council also advises that local and district campaign committees, which have hitherto been somewhat spasmodic in their organization and operation, should be made continuous and permanent.[4]

In May, 1921, an important step was likewise taken to perfect the "labor lobby" in Washington. The representatives of various unions stationed in the capital upon legislative missions were called together by President Gompers, and organized into the "Legislative Conference Committee"; and this committee holds regular monthly meetings, during the sessions of Congress, often with thirty or forty members in attendance, in order to exchange information regarding bills pending before that body, and to adopt a uniform policy of dealing with them.[5] Thus labor is no longer voiceless, but would seem equal upon occasion to producing a full round tone and demanding attention.

[1] *Proceedings*, 1924, p. 175.
[2] *Proceedings*, 1924, pp. 268-276; 1925, pp. 60-62, 277-279.
[3] Cf. *Proceedings*, 1922, p. 80; 1923, pp. 52-53; 1924, p. 178.
[4] *Proceedings*, 1924, p. 178; 1925, pp. 60, 277.
[5] *Proceedings*, 1922, p. 78; 1923, p. 45; 1924, p. 65.

4. JUDGING BY AIMS AND RESULTS

What have been the fruits of these efforts? There are obvious difficulties in estimating the degree to which the rank and file of labor have responded to the appeal of their officers, and broken away from old party ties. Certainly, the financial support given to the American Federation of Labor campaign has been meager, and there has never been any such thing as "delivering" the labor vote. The impression received upon this matter from Mr. Gompers' statements depended very much upon the time of year. Prior to an election, when he felt that the cohorts of labor must be whipped into line, he often made caustic comments about the sodden condition of Congress, the sinister power of corporate interests, and the reactionary decisions of the courts. But in his annual reports as chairman of the Executive Council, when he was in more exultant mood, he was disposed to count up his scalps and trophies, and to point in glowing terms to the victories which labor's non-partisan political policy had won. Without a trace of false modesty or perhaps of any other kind, he claimed chief credit to labor for the change in the political complexion of the House of Representatives in 1910, and for the completion of the job in 1912, when the whole government passed into Democratic control.[1] He was not insensible to the honor and importance given to labor upon the various boards and commissions during the war-period.[2] The congressional elections of 1922 were repeatedly referred to as an example of what the non-partisan plan could accomplish when not interfered with by numerous "alleged political labor parties."

Through the activities of the American Federation of Labor National Non-partisan Political Campaign Committee, as directed by the Executive Council, 23 candidates for United States Senator who had been loyal to labor and the people were elected, and 11 reactionary senators defeated. Of the friendly senators elected, 18 were Democrats and 5 Republicans. Of the candidates for Representative, 170 were elected either because directly supported by the A. F. of L. or by reason of the opposition to their opponents.

[1] *Proceedings,* 1912, p. 32; Gompers, *Seventy Years,* vol. ii, pp. 252, 275, 296.
[2] *Proceedings,* 1917, pp. 81-82.

Of these 105 were Democrats, 63 Republicans, 1 Farmer-Labor, and 1 Independent.[1]

In 1924, not at all discouraged by the complete submersion of the La Follette ticket, the Executive Council found comfort in the election once more of at least 170 congressmen who had been endorsed by labor.

It is evident that labor's non-partisan campaign, in so far as congressional elections are concerned, in spite of the exceptional difficulties of the presidential year, thoroughly justified the assertion that labor achieved a signal success in the furtherance of the interests of the wage-earners and of the people of the country generally.[2]

But, of course, legislation is even more important than legislators. The specific legislative demands of American labor, and many of its successes and disappointments, have been reviewed in an earlier section. The defensive character of the Federation's political program is emphasized by the long lists of "hostile bills defeated" which parallel in the reports the lists of concessions won. Bills especially which threatened compulsory arbitration or some other interference with union tactics, have always been viewed with an implacable hatred. Even what might be called the more positive gains have often been, like the Seamen's Act of 1915 and the labor clauses of the Clayton Act, really emancipatory rather than grants of governmental aid or favor. Patience, indeed, has been necessary. By 1917 it was possible to declare that redress had been secured for all of the grievances in the original "Bill" of 1906, save one—that of interstate competition in convict-made goods.[3] It was a proud day for Mr. Gompers when he was able to add to his collection, the pen with which on October 15, 1914, President Wilson had signed the "Magna Charta" of labor.[4]

If it must be admitted that the labor legislation of the United States is less advanced and less complete than that of Great Britain—that the legal position of trade unionism is

[1] *Proceedings*, 1923, p. 50. Cf., also, p. 46.
[2] *Proceedings*, 1924, pp. 177-178.
[3] *Proceedings*, 1917, p. 105.
[4] Gompers, *Seventy Years*, vol. ii, p. 298.

still less secure, that health insurance and state insurance against unemployment are here only in the talking stage, that the protection given to women and children is in many sections and industries less perfect, and that minimum-wage laws here seem to have reached an *impasse*—it is none the less doubtful whether this can be attributed in any degree to the opportunistic, non-partisan method followed by the Federation and its affiliated unions. Rather, the backwardness has been partly due to the difficulties of our federal form of government—the relative inelasticity of the Constitution as interpreted by the courts and the fear of interstate competition—and still more to the moderation and restraint of the views and demands of American labor itself. The more open economic and social conditions here, as already stated, have not been favorable to the growth of radicalism and class consciousness, nor to the rise of a philosophy which looks chiefly to state aid and state interference in labor matters. The backwardness of social insurance and of minimum-wage legislation is therefore due not so much to the lack of influence on the part of labor regarding matters about which it is vitally concerned as to the domination of the movement hitherto by the more conservative craft element, and to the divided and somewhat equivocal stand which the leaders have taken upon such subjects.[1]

The great merit of the non-partisan policy of the American Federation of Labor lies exactly in this, that it does not attempt to go forward solely in its own strength. Labor—at any rate organizable labor—is, in practically every jurisdiction in the country except the large industrial cities, in a hopeless minority in point of numbers and political strength. The late Dr. Isaac Hourwich estimated that in 1920 the "industrial proletariat" of the United States constituted 42.4 per cent of all gainfully employed persons. But when it is considered that the gainfully employed themselves represented at that date only about one-half of the total population ten years of age and over (even though more than 60 per cent

[1] Cf. Mittelman, "A. F. of L. Politics at Portland," *Journal of Political Economy*, vol. xxxii (1924), p. 86, *et seq.*

of the adult population), that a considerable proportion of the foreign-born wage-earning group is still unnaturalized, and that the distribution of the whole group among the various political units is very uneven, it is apparent, as he says, that "the number of proletarian voters is far short of a majority." [1]

To succeed at all, then, in obtaining helpful legislation or in getting rid of some of the shackles of the past that bind it, labor must have the support of other groups. And this, so long as its desires are not of a narrow class character, and so long as it caters to the pliability of politicians instead of antagonizing them by upstart independent labor parties, should prove relatively easy. Humanitarian sentiment, represented by such bodies as the American Association for Labor Legislation, the Consumers' League, the Women's Trade Union League, and the Federal Council of Churches, is more than ready to second any motion looking to the health and welfare of the masses—has, in fact, sometimes been considerably in advance of the official spokesmen of organized labor. The farmers, also, who upon all proposals affecting their own property and immediate business may be expected to have a highly individualistic reaction, have nevertheless often shown a willingness to make common cause with their fellow-toilers whenever it concerned exploitation by railroads, trusts, and middlemen, or the removal of restrictions upon the right to organize. Again and again, as in the forties, in the Granger and Populist movements of the last quarter of the nineteenth century, in the Non-partisan League campaigns of the past decade in the Northwest, and in the La Follette movement of 1924, labor and the farmers have established fraternal relationships and have endorsed the same candidates and the same measures.[2] In short, upon many questions in which

[1] Hourwich, "Are the Workers a Majority?" *Socialist Review* (New York), vol. x (1921), pp. 51-54; League for Industrial Democracy, *News-Bulletin* (New York), July, 1924, p. 2; *Fourteenth Census of the United States*, 1920, vol. iv, pp. 33, 376.

[2] Cf. Buck, *The Granger Movement* (Harvard University Press, 1913), esp. p. 306-312; Gastin, *Non-partisan League* (New York, 1920), p. 121; Bruce, *Non-partisan League* (New York, 1921), pp. 88-91, 149-151; *A. F. of L. History* (1919), pp. 229-230; *Proceedings*, 1912, pp. 134-135, 1920, pp. 209-210, etc., etc.

labor has a special interest—immigration, child labor, woman labor, for example—there are other groups which also have either general or special interests not inconsistent with that of labor, so that it is only necessary to arouse and educate and organize public sentiment in order to get the proper remedial legislation. If a considerable degree of patience and long-suffering is required, and if the result when obtained is often far short of what was sought for, it must be remembered that democratic institutions presuppose concession and compromise among all parties, and that it is usually in this blundering fashion that extremes are avoided and real social progress is achieved.[1]

For the present, therefore, the non-partisan method would certainly seem the better one for American labor to follow—the one most consistent with its aims and purposes and the one most likely to bring immediate results. Should the relatively unskilled workers, who have less to hope for from collective bargaining and business unionism alone, later become organized to a larger extent, and come to play a more prominent rôle in the movement, then the political demands of labor will doubtless be more numerous and more advanced in character, hence less acceptable to other groups in the community. And should both of the old parties suddenly become virtuous, and attempt, as the Republican Party after its overwhelming victories in 1920 and 1924 has shown some signs of doing, to purge themselves of all taint of progressivism, it may no longer be possible for labor and capital to ride in the same political conveyance. Class lines and the "bloc" system may become so strict and absolute that each group will feel that it can trust only those of its own household; legislators will degenerate into agents and special pleaders for particular causes; and governmental processes partake of the nature of a squabble among economic rivals for temporary advantage. Then an independent labor party will be inevitable. But happily that state of affairs has not yet arrived.

[1] Cf. Lippmann, Walter, "Birds of a Feather," *Harper's Magazine*, vol. cl (1925), pp. 408-411.

CHAPTER XXI

AN APPRAISAL OF LABOR LEGISLATION

1. THE EMPLOYER'S ANTAGONISM

WHAT are the proper rôle and the ultimate value, to the different parties, of labor politics and labor legislation? What has it accomplished and what further help may be expected from it? How far does it make up for the acknowledged deficiencies of unionism, and what are its own limitations?

Any discussion of the sphere of government is likely to be hackneyed, and is not destined to arrive at permanent or generally accepted conclusions. Since democracy came in America and Great Britain, there has never been any settled theory or conviction as to what things the government may or may not do, only that there has been an unmistakable increase in its activities and expenditures. *Laissez faire* economics and strict construction of the Constitution were in part the reaction of eighteenth-century individualists and radicals against the obviously outgrown restrictions of Mercantilism; but they were also under suspicion of offering a convenient philosophy for thriving magnates confident of their own power and wishing nothing better than to be let alone. They could not cope with the conditions brought about by the Industrial Revolution, nor satisfy the aspirations of an expanding electorate. The workers themselves have, it is true, oscillated somewhat between extravagant hopes from political action and disappointment and distrust because of the meager results obtained through it. But indirectly, if not always directly, their influence has inevitably been on the side of governmental interference. The radicals of this later generation are more largely collectivists than individualists; and, rightly or wrongly, the greater portion of them look upon the government as the chief agency of reform.

Employers here as in the case of unionism have commonly been found "in opposition." It is they, or those imbued with their interests, who have inveighed against overlegislation and overregulation. A study of the arguments and methods by which they and their spokesmen have condemned and obstructed all restrictions upon child labor and the hours of labor, workmen's compensation legislation, and factory legislation in general, in every industrial country from the time of Robert Owen down to the present, is enough to confirm the doctrine that history repeats itself, and that there is nothing new under the sun. At least, as a group they have been consistent in their belief, that whatever benefits labor legislation might confer upon the workers would be so much lost to themselves.

The possession of wealth and influence has often made it unnecessary for big business to submit its case to the cold light of reason. Respect for vested interests and general inertia fight on its side. But, in so far as its tactics can be traced, they have been essentially as follows: First, there is a categorical denial of the allegations made by "agitators" regarding overwork and bad industrial conditions. Matters are at least not so bad as painted and are in a fair way to being corrected upon the initiative of high-minded employers. When protests continue to be made and regulation demanded, delay is sought through the device of a commission to hold protracted hearings and investigate already familiar facts. The commission, however, no matter how constituted, being unable to gloss over everything, employers' representatives and lobbyists have usually shifted ground and tried a flank movement. To hamper industry further would, it is argued, check its growth, discourage enterprise and investment, and very likely cause its complete ruin before the merciless onslaughts of competition from other states or from abroad. The working-people themselves (if it is a proposed restriction on child labor) not being able to put their children to work, will be in a still more miserable condition, and the children thus condemned to idleness will grow up to vicious habits. Curtailment of hours will not only endanger the prosperity and

perhaps the very existence of the industry, thus causing unemployment, but in any case there must be a corresponding reduction in wages. Similarly for other regulations.

When legislation of some sort finally proves inevitable, the effort is made to introduce substitutes and amendments that will so far as possible emasculate the original bill—to make its terms moderate and its administrative clauses weak and ineffective. Not even after the act has been passed is the struggle considered entirely lost. There are still the courts and certain beneficent clauses in the Constitution. Suppose the court of last resort has sustained the law, there may be a grudging obedience by the better class of employers, but there are sure to be evasions through many and devious channels by the less scrupulous.

That no exaggeration or unfair condemnation is involved in this summary is proved by the legislative and subsequent history of almost every labor law. Robert Owen had his disheartening experience between 1815 and 1819, when he tried to get some of the reforms that had worked so well in his mills at New Lanark embodied in an act of Parliament.[1] Richard Oastler and Michael Sadler could make little impression upon an unreformed Parliament in 1831 toward getting shorter hours and higher age-limits; and Lord Ashley in 1833 after much delay could get only an act which it was impossible to enforce.[2] The finest marshaling of the arguments was in 1844 and again in 1847, when such able and high-minded men as John Bright, Sir Robert Peel, and Sir James Graham denied Lord Ashley's charges and freely predicted the ruin of the industry if the ten-hour day should be required in textile mills.[3]

American manufacturers, both North and South, have taken a similar attitude toward governmental restriction of hours and of child labor. The old Puritan belief in the virtues of

[1] Lloyd-Jones, *Life, Times and Labours of Robert Owen* (London, 1890), pp. 138-154; Hutchins and Harrison, *Factory Legislation*, pp. 21-29.

[2] Hutchins and Harrison, *op. cit.*, pp. 32, *et seq.*, 44, *et seq.*, and chap. v.

[3] *Annual Register*, 1844 (London, 1845), pp. 111-112, 114-115, 128; Trevelyan, *Life of John Bright* (Boston, 1913), p. 15, *et seq.*, Hutchins and Harrison, *op. cit.*, p. 96, *et seq.*

industry was quite ready to accept Alexander Hamilton's claim that the development of manufactures would be advantageous because it would offer employment for many women and children. In Massachusetts and Rhode Island in the forties and again in the late sixties the good health of the mill-workers was fully portrayed; the hardship that would be brought to poor people if their children were not allowed to work was presented with much solicitude; and the inability of the poor to make proper use of leisure was lamented.[1] The same claims have been made in almost identical language by Southern manufacturers in opposition to child-labor bills. The Associated Manufacturers of Maine opposed a fifty-four-hour bill for women and minors in 1916 by declaring that it would inevitably raise the cost of living, cut down wages and employment, and make the state less attractive as a refuge for manufacturers seeking to escape the stringent laws of Massachusetts.[2] And the same viands were again furnished forth in 1923 when there was a referendum on a forty-eight-hour bill. The "infant-industry" argument has also been a favorite one with Southern manufacturers fearful of Northern competition.[3] Certain industries like canning and preserving, and, for a long time in Ohio, Illinois, and Pennsylvania, the glass industry, have been strong enough to get themselves exempted from all regulations.

Nor have employers, either here or abroad, been found in the vanguard of these demanding minimum-wage laws, and workmen's compensation laws or other forms of social insurance. In the debate on workmen's compensation in Parliament in 1897, Lord Rathmore representing the railways and Lord Londonderry as spokesman for the coal-owners declared that it would ruin trade and would work great disadvantage

[1] Otey, *Beginnings of Child Labor Legislation* (*Report on Woman and Child Wage-earners in the United States*, vol. vi) (Washington, 1910), pp. 27, *et seq.*, 87, 153; Persons, C. E., in *Labor Laws and Their Enforcement* (New York, 1911), pp. 47, *et seq.*, 80-81, 95-96, 118; Swift, "The Last Stand of One Business That Opposes Child Labor Legislation in the South," *Child Labor Bulletin*, vol. iii (1914), pp. 85-89.

[2] Maine Industrial Expansion Commission, *The Fifty-four Hour Law and Why You Should Vote Against It* (pamphlet). Cf. *American Labor Legislation Review*, vol. x (1920), p. 83, *et seq.*

[3] Otey, *op. cit.*, pp. 132, *et seq.*, 149, 152, *et seq.*, 180-181.

to older workmen.[1] The fear of interstate competition was what defeated the first compensation bill in Massachusetts in 1904, and served to delay such legislation in all states until after 1910.[2]

The drafting of bills in American legislative bodies has been notoriously bad; but there is reason to think that the evil has often been connived at by conservative-minded legislators. The "special contract clause" incorporated in the early legislation regarding hours of labor in New Hampshire, Rhode Island, and Pennsylvania, rendered these laws practically of no effect. And the phrase "knowing and wilful employment" vitiated most of the early child-labor laws both North and South.[3] The first provision for anything approaching factory inspection in the United States was in the child-labor laws of Massachusetts in 1866-67; and, even so, the first incumbent of the office soon resigned because he could get no convictions.[4] In the absence of enforcement clauses and compulsory school attendance, most of the factory laws of the Southern states proved almost worthless down to a recent date.[5] And no effort has been spared, once such legislation has been passed either by the state or federal governments, in getting it declared unconstitutional and written off the statute books.

It is well to state here once more that this general attitude of antagonism toward labor legislation on the part of employers does not imply that they are necessarily an insincere, merciless, money-grabbing class, giving no heed to the health and welfare of their employees. Rather they have often proved a valuable conservative force, serving to check the excesses and experimental fever of other groups. In a democracy, if any part, even a majority, of the people undertakes to write the laws of the country, it is the privilege of the others to stand by and and put in the punctuation points—

[1] *Annual Register*, 1897 (London, 1898), pp. 155, 181-182.

[2] *Report of the Commission on Compensation for Accidents* (Boston, 1912), pp. 14-34.

[3] Otey, *op. cit.*, pp. 78, 89, 125, 215.

[4] Persons, *op. cit.*, pp. 96-97.

[5] Otey, *op. cit.*, pp. 215-221; McKelway, "Law Without Enforcement," *Child Labor Bulletin*, vol. iii, p. 34, *et seq.*

an exclamation here, an interrogation there, and occasionally, when they can convince a sufficient number to join them, a full stop so far as any particular measure is concerned.

Yet it may be doubted whether in this process employers have not often consulted their immediate rather than their ultimate interest and prosperity; and whether even they have not really gained more than they have lost through advanced labor legislation. Our previous discussion of the specific grievances of labor has shown that in nearly every case there is a strong employer's interest on the side of better conditions; that there is an advantage in regularization, cutting down labor turnover, and in proper maintenance or insurance during periods of enforced idleness; that child labor is often suicidal; that the shorter working-day often pays for itself in less absenteeism, greater efficiency, and a better market; that under normal conditions in a settled industry any extra profits derived from neglect of sanitation or safety precautions are an extremely doubtful quantity; that there is, finally, within reasonable limits, an "economy of high wages." Employers have often only lacked faith and needed the enforcement of minimum requirements by law to convince them of their shortsightedness; or the more liberal among them have needed protection from unfair competition, by having the laggards brought into line. The special function and the advantage of "the method of legal enactment," as compared with unionism or collective bargaining, are that it is often more permanent and more nearly universal in its application. It helps to eliminate mere labor-cost or labor conditions as an element in profits and places the emphasis where it belongs, upon skill in management.

Hence the support, especially after the system had been started, which progressive employers have given to better laws and better administration. Birmingham manufacturers in various trades were found in favor of extension of state control through the Factory Act of 1864; some of them voluntarily anticipated its provisions respecting hours of labor; and one earthenware manufacturer testified that, whereas nineteen-twentieths of the men in his line were opposed to the

Act when it was first introduced, "nineteen-twentieths would now be unwilling to part with it." [1] Agent Gray of the Atlantic Mills in Lawrence, Massachusetts, was helpful in the campaign which led to the passage of the ten-hour law in that state in 1874, because his own conditions were already up to the standard set and, whether from philanthropic or mercenary motives, he favored having others compelled to conform.[2] Charles Sumner Bird, paper manufacturer of East Walpole, Massachusetts, once stated: "I believe that modern and enlightened employers realize that proper factory inspection by the state is absolutely essential in order to protect themselves as well as to protect the worker and the general public." [3] Inspectors often speak of the excellent spirit of cooperation manifested by a large number of employers. And with respect to almost every feature, successful employers could be cited who are in advance of the requirements of the law rather than lagging behind them. One recalls Professor Baldwin's statement about the awakening of the moral sense in children, that "the *ought* comes up out of the *must*." If interstate competition still proves a bugaboo, the argument might well be in favor of legislation by a jurisdiction co-extensive with the area of the market—federal rather than state. Northern manufacturers would certainly stand to gain by the adoption of the Child Labor Amendment, and the restoration of a federal law that would enforce upon other sections the same standards as those to which they have long been subject.

2. THE PUBLIC WEAL

The public, as already noted, is naturally the chief ally of labor in the passage of labor legislation. It is this which saves most acts of this kind from the charge of class legislation—that they have been sanctified, at the same time that they have often been reduced to more moderate terms, in meeting public criticism and approval. Labor, on the one

[1] Hutchins and Harrison, *Factory Legislation*, pp. 155, 158-160.
[2] Persons, "Early History," pp. 112, *et seq.*, 117, 120, *et seq.*
[3] Bird, "An Employer's View of Factory Inspection," *American Labor Legislation Review*, vol. iii (1913), p. 21.

hand, has always found it profitable to emphasize the aspects of education, health, safety, the prevention of poverty and dependence, equality of opportunity—all of them objects which enlist popular sympathy and which are more and more acknowledged to be legitimate objects of the state—in the measures it advocates; and the public, on the other hand, has found the agitation and claims of labor, even though actuated by selfish motives, a helpful guide or index of what needs to be done.

Whether or no written law, as in the laws of Solon or the Twelve Tables in Rome, had its origin in the necessity of regulating the relationships of contending groups and classes—in the old days, the "plebs" and the patricians—that seems to be a large part of its present function.[1] Capitalism and modern democracy have largely gone forward together. We need not here inquire too curiously whether there has been a causal connection between them. The one brought new industrial conditions and a new alignment of economic and social classes. The other brought to the hitherto despised and non-political classes a new chance for expression. It was inevitable that there should be found many twists and turns in the law, as it had evolved and was inherited from the old aristocratic régime, which were not consistent with the newer aspirations of democracy; and these shackles—imprisonment for debt, suppression of free speech, the Settlement Acts, the Combination Acts, and a class system of education, to mention but a few—had gradually to be removed before real freedom could be enjoyed and democracy could go forward. It was inevitable, too, that the new industrial conditions—new modes of living, new mechanical devices bringing new risks, different work-places, the new strain of labor, the growing separation of employer and employee and of producer and consumer—should call for much adaptation and expansion of the law, just as even more recently a new code has had to be developed.

[1] Cf. Carter, J. C., *Law, Its Origin, Growth and Function* (New York, 1907), esp. pp. 33-38; Beard, *Economic Basis of Politics* (New York, 1923); Hollcombe, A. N., *Foundations of the Modern Commonwealth* (New York, 1923), chap. v, esp. pp. 208-210.

for irrigation, and for motor traffic, and is now in prospect for radio and aeroplanes.

Admit that the principal driving force in bringing about this readjustment has been class interest, no more worthy in the abstract than the class interests which so long upheld the predemocratic state, that labor politics is class politics, that it is prone to hard riding and leaps in the dark; yet it has not been the habit of economists nor of business men to contend that an action or a movement must be altruistic in order to be good. Unless we are disposed to abandon our faith in democracy, we must accept some of its implications—its dangers as well as its advantages. The evil, if any, is to be found in the very existence of classes, not in their political manifestations; and our salvation must lie in such freedom of movement and of communication between classes, such blurring of class lines, that there may be much common ground and a more complete understanding. Discontent cannot then become rampant and, through public opinion and the public will, the excesses of one class can be curbed by the others.

A valuable by-product of labor politics from the public viewpoint has been the lessening of bribery and corruption. It is true that the so-called Union Labor Party, which dominated the affairs of San Francisco for some years following 1901, did not acquire a very savory reputation; but that, like many other local organizations of similar title that have sprung up elsewhere, was really an attempt of the political bosses to harness the unions for their own corrupt purposes rather than a movement originating with the workers and carried on by and for them.[1] But where labor has decided, like Spartacus and his Roman gladiators, that if they must fight they will fight for themselves, the effect cannot help but be increased interest and participation in public affairs, a greatly decreased susceptibility to the bribes and blandishments of the boss, and a general purification of elections. Admitting again that class or group interests may not

[1] Cf. Eaves, Lucile, *A History of California Labor Legislation* (*University of California Publications in Economics*, vol. ii) (Berkeley, 1910), pp. 75-79; Baker, Ray Stannard, "A Corner in Labor," *McClure's Magazine*, vol. xxii (1904), p. 377.

be the highest possible aim, they are still much more worthy and promising than complete indifference, or that lowest form of individual cupidity which will sell the voting privilege for a drink or a pair of shoes or a few shekels of filthy lucre. Where labor recognizes that it has more to expect from good government honestly and openly conducted than it could possibly obtain through division of the spoils, the knell of corrupt machine government has been sounded.

Almost everyone will agree that British politics have been more interesting and really more sincere and significant since the rise of the Labor Party. The volume of current literature bearing upon the subject testifies to that. The healthy influence of the I. L. P. as a questioning, critical force in local elections was felt even earlier.[1] Issues are no longer trumped up with so much ease and frequency in order to catch or to distract popular attention. Even with very meager financial resources as compared with the old parties, labor has been able to depend in its campaigns upon "armies of voluntary workers whose zeal made each one of them more valuable than a dozen paid agents." [2] Social and economic questions which were previously largely ignored are now discussed in Parliament with sober seriousness.[3] And even a Liberal like Ramsay Muir, M. P., admits a greater popular interest as indicated by the demand for gallery orders during the period of Labor government in 1924.[4] Perhaps this interest was prompted quite as much by fear as by hope; but it was none the less real and beneficial. Graham Wallas has intimated that in the actual administration of public affairs the representatives of labor might indulge in too much "big-souled geniality"; [5] but certainly as a party in opposition they are very watchful and know how to keep the others "guessing."

Further than this, there are some advantages to the public in having the demands of labor go through political and

[1] Cf. Villiers, *Socialist Movement in England* (London, 1910), pp. 140-141.

[2] Ponsonby, Arthur, M. P., "The General Election," *Contemporary Review* vol. cxxv (1924), p. 11.

[3] Cf. Snowden, Philip, M. P., "The Labour Leaven in the House," *Labour Magazine,* September, 1923, pp. 213-215.

[4] *Contemporary Review,* vol. cxxv (1924), pp. 544-546.

[5] Wallas, Graham, *Human Nature in Politics* (Boston, 1909), p. 235, *et seq*

legislative channels rather than through those of militant unionism. The interest of the public in continuity of service, and its relatively slight success in enforcing arbitration of labor disputes sometimes makes resort to the law seem the least costly and painful means of adjustment. When in 1916 the railway managers of the United States and the Brotherhoods proved unable to reach a voluntary settlement on the question of hours, and a strike with all of its untold hardships seemed imminent, President Wilson felt called upon to recommend to Congress the enactment of a law making eight hours the basis alike of work and wages for all railway employees engaged in operating trains in interstate transportation; and the Adamson Act was passed as the best way out of the dilemma.[1] In such public service industries the public can well afford to anticipate trouble and to be prompt and liberal in granting redress.

3. THE LABOR ESTIMATE

The conditions under which, from the labor viewpoint, resort to political methods seems desirable or even necessary, and the nature of the demands so presented, have been so fully discussed in earlier sections that only a brief appraisal is called for here. The chief advantages and limitations have both been stated in short compass by Mr. and Mrs. Webb:

> We see, therefore, that if, for the moment, we leave out of account the regulations themselves, the method of legal enactment has, where it can be employed, a considerable balance of economic advantages over the method of collective bargaining. It has, to begin with, the great merit of avoiding all stoppages of industry and of causing the minimum of economic friction. In our own country, at any rate, a regulation enforced by legal enactment will be more uniformly and impartially applied throughout an industry as a whole than is ever likely to be the case with a regulation enforced by collective bargaining. Its greatest drawback is the cumbrousness of the machinery that must be set in motion, and the consequent difficulty in quickly adapting the regulations to new circumstances. Hence the method of legal enactment is best adapted for

[1] Cf. Berman, *Labor Disputes and the President of the United States* (*Columbia University Studies*, vol. cxi (1924)), pp. 106-124, for an excellent account of the steps taken and analysis of the alternatives.

those regulations which are based on permanent consideration such as the health and efficiency of the workers. The minimu requirements of sanitation and safety need no sudden modification Much the same argument applies to the fixing of the normal da and even of a minimum of wages, calculated so as to prevent an class of workers from being driven down below the standard healthy subsistence. These are all matters of physiological scienc The method of legal enactment is, in fact, economically, the mo advantageous way of enforcing all regulations based on the doctri of a living wage.[1]

1. Legislation does, indeed, tend to "universalize" an standardize conditions throughout an industry or jurisdictio to a degree that would be impossible for unionism or collectiv bargaining, without very complete organization on a nation scale. Since a considerable uniformity in labor condition as already several times remarked, is desirable from the stand point of each of the three parties to the labor question, th is a strong argument in favor of the political method. Th organization of labor is still so imperfect in respect both t numbers and to structure that some grades of labor, and thes the ones seemingly most in need of protection, show ver slight capacity for unionism; others, like government em ployees, are by the very nature of their work and the attitud of the public precluded from militant tactics to call atte tion to their grievances; and national agreements betwee well-organized employers and strong national unions still cov but a small part of the industrial field either in Great Britai or America. So, what could be more reasonable than to tak full advantage of universal suffrage where each person has vote, whatever his economic power or position, and thus catc the nearest way?

Once better conditions of labor have been thus secured an written into law, they will be relatively permanent, and a less likely than the gains of unionism to be swept away by th next period of depression and unemployment. Besides, the are some matters, such as sanitation and safety, which it difficult to provide for specifically in a labor contract; and th huge authority and the large financial resources of the sta

[1] Webb, *Industrial Democracy*, pp. 803-804. Cf. also *ibid.*, part ii, chap. iv

can prove very useful in affording protection and relief. Other matters such as immigration, currency problems, or world peace, that are political or governmental by nature, are believed to affect labor interests quite intimately. And the legal obstacles to organization and unionism itself which have arisen in both countries could obviously be removed only through the exercise of political influence. Certainly, none of the so-called collective demands of the more radical labor groups could hope to be realized without at least the permissive action of the state.

2. But, much of this reasoning having been granted, there are, as we have seen, good reasons why many of the leaders of labor, notably those of the business school represented by W. A. Appleton in England, and the late Samuel Gompers in America, should not be overly enthusiastic about the benefits to be derived from politics and legislation, and why they should rather regard them as a broken reed. Organization has been found to be quite as necessary for success in politics as in collective bargaining; and with traditional party connections and the wiles of politicians to contend with, not to mention the bitter opposition of employers' associations, it has proved even more difficult to accomplish. Political campaigns are costly and hard to finance. The long and painful delays of the legislative process and the numerous setbacks received are enough to exhaust the patience of Job. Only moderate measures of general application have much chance of winning support and getting through; and these are usually much less than the stronger unions have already been able to obtain by economic methods alone. If a union is quite conscious of its power but none too confident of receiving full popular approval for its claims it can get more by fighting on the industrial field.

The limited powers possessed by the federal government and the constitutional obstacles that have confronted both state and federal legislation have prevented that progress toward uniformity and universality which has just been claimed as one of the chief advantages of the legislative method. It is a uniformity of backwardness much more than of advance-

ment. Only one great industrial state (Massachusetts) has a forty-eight hour law for women and minors; six states and the District of Columbia are still without compensation acts, and the laws of many others are very imperfect. Minimum wage laws have existed in only fifteen states and territories (most of them west of the Mississippi), and their constitutionality, since the adverse decisions in the Arizona and District of Columbia cases, is under a cloud. It took fifty years of agitation to secure a workable federal eight-hour law for public work; the Seamen's Act was the result of over twenty years of persistent effort; and the Child Labor Amendment has apparently been knocked out in the first round.

Once such laws have been passed and have run the gauntlet of the courts, they are still very difficult to enforce. Either because the acts are poorly drawn, or because inadequate inspection is provided, or because strong class or economic interests are aroused and the incentive for violation is great, or for all of these related reasons put together, labor laws have been among those most poorly obeyed in a country widely notorious for the laxity of its law enforcement. One of the things that it has been hard for democracy to learn is that it requires more than a mere majority of votes at the time a law is passed to ensure its effectiveness. Mention has already been made in this respect of child-labor laws and those relating to the hours of labor. Immigration laws, especially the contract-labor law and the recent quota laws, have been grievously evaded and transgressed. Unionism itself has often proved necessary to supplement and strengthen legal regulations. The Royal Commission on Labor in 1892 found that the Mines Regulation Acts were much better carried out in organized districts and almost not at all in some unorganized districts.[1] Truck acts have commonly been a dead letter except where the workers are strong enough to compel their observance.[2] Legal advice and moral support furnished by a union frequently prove useful in safeguarding an injured workman's rights

[1] *Report*, vol. xxxvi, part i, pp. 54, 195.

[2] Cf. James in McNeill, *Labor Movement*, p. 49; Webb, *Story of Durham Miners;* and statement by President Maurer of Pennsylvania State Federation of Labor.

against the tempting offers of wily insurance agents.[1] If organization is necessary to enforce the law and hold public officials to their duty, the question at once arises, Why not rely chiefly upon organization in the first place?

Then there is the question of the possible reaction of politics and governmental aid upon the growth and strength of the unions themselves, not chiefly in the disruption that political discussion might bring into the ranks, nor concern for the positions and salaries of a certain number of union officers, but the chance of flabbiness and a general loss of interest in maintaining a fighting organization, when the government is looked upon as the fount from which all blessings flow. Mr. Gompers made much of this danger, as well as of the risk of teaching others to use the same weapon and provoking a tendency toward too much regulation. While denying that he was prompted by jealousy of the state, he said that the minimum-wage legislation and universal eight-hour laws for private industries would mean that:

> Agreements and adjustments to meet changing conditions will cease to be voluntary. It means that unionists will lose the right of initiative, hence their fine independent spirit. It means that trade unionists will cease to be an aggressive, determining force in industry, but will become an auxiliary to a bureaucracy under commissions, wage-boards, etc.[2]

It was this fear of robbing the unions of their virility and perhaps of the sinews of war that led him and other leaders to look askance at compulsory health insurance and old-age pensions.[3]

3. Legislation is, indeed, a crude and imperfect instrument for reform and has definite limitations of its own. But we must remember that labor legislation has been principally

[1] Cf. Hicks, George, in *Daily Herald* (London), November 16, 1922, p. 2; November 25, 1922, p. 6.

[2] Gompers, "Trade Unionism, Progress and Liberty," in *Shoe Workers' Journal* (Boston), June, 1915, pp. 4-5. Cf. editorial in *Ibid.*, December, 1915, pp. 13-14; Duncan, James, First Vice-President of American Federation of Labor, in *Motorman and Conductor*, December, 1917, pp. 4-5.

[3] Cf. Frey, John, in *International Molders' Journal*, February, 1919, p. 127; letter of President Gompers on old-age pensions, *Proceedings of United Mine Workers of America*, 1918, p. 904, *et seq.*

called into being by a demonstrated need and the inability either of individuals or of unions to cope at all adequately with it. Public opinion has, in general, been unwilling to approve, and the courts, in America, at any rate, to sanction any efforts in this field until it has been established that self-help and other voluntary private methods of redress are insufficient. But the modern state, having as one of its acknowledged obligations to deal with poverty and distress, has as a result of scientific social investigations and a clearer social consciousness, chosen more and more to deal with causes rather than merely with effects, and to apply preventive rather than merely palliative or curative methods. It recognizes that the real freedom of the laborer and his chance for independent self-expression are increased rather than diminished when a law is passed declaring that he shall not be compelled to work more than a certain number of hours in a dangerous or unhealthy trade; or when it is made definitely to the interest of his employer to install the most improved sanitation and safety devices; or when the other unforeseen vicissitudes of his life are provided for by insurance instead of by the uncertain and tainted relief of charity. Control and regulation by a democratic government responsive to the changing demands and needs of the people, administered by its own representatives, is not tyranny, but often a larger liberty.

The unions have admittedly done much; but even in Great Britain, where, if anywhere, they have reached their finest flower and shown what they can accomplish, they have not covered the whole industrial field, nor been able to deal fully with the grievances or the needs of the workers. Instead of legislation competing with and hindering the growth of unionism, it has rather been true that legal regulation of conditions has often given labor something—a minimum—to stand upon, and that from this have sprung organizations able to carry improvement still farther. It has not held the stronger unions back; but it has given an impetus to those that were weak or even previously non-existent. The Northumberland miners were "unable to form any durable trade union until the Mines Regulation Act of 1842 had given them some protection

from the worst abuses of competition"; and "the strength and efficiency of their union has grown in direct proportion to the amount of legislative regulation which the union has been able to procure for their industry." [1] The trade boards acting under the Acts of 1909 and 1918, and corresponding to our minimum-wage boards, have been endorsed and upheld by British unions because they have fostered organization especially among women-workers.[2] Nor is it observable to the naked eye that the meager social insurance provided by legislation, particularly that portion of which the unions are made administrative units, has supplanted union funds or made them less provident. It has only helped to make more adequate what was before usually very inadequate.[3]

Legislation itself can be very much improved. Bills can be more carefully drawn, upon the basis of imitation and past experience, and means more fully adapted to ends. Greater elasticity can be given to the laws for the benefit of all parties concerned, through the plan adopted in Wisconsin, Ohio, New York, and some other states, by which the legislature lays down the regulations in broad terms and leaves it to an industrial commission to adjust the specific details and requirements to changing and varying conditions. Thus we can have a proper degree of permanence without undue rigidity.[4] The greater participation of labor in politics and the development of some form of political organization, whether a party or non-partisan independence, should insure a more vigilant and sympathetic administration of labor legislation. Indeed, a political body might seem better suited to improving enforcement than the unions, although both should co-operate.

There is even some ground for hope that, through a slow, patient process of education, the Constitution of the United States, either by formal amendment or by a more liberal in-

[1] Webb, *Labour in the Longest Reign, Fabian Tract* no. 75 (London, 1897), p. 5.

[2] Cf. Trades Union Congress and the Labor Party, *Industrial Negotiations and Agreements*, pp. 9-12; Blanshard, *British Labor Movement*, pp. 106-107.

[3] Cf. Lloyd, *Trade Unionism* (1921), pp. 130-131; Cole, G. D. H., *Out of Work* (New York, 1923), pp. 71-74.

[4] Cf. Commons and Andrews, *Principles of Labor Legislation* (1916), pp. 344-353; Jevons, H. S., *British Coal Trade*, p. 572, *et seq.*

terpretation on the part of judges, may become better suite to twentieth-century needs. Already there are signs of newer school of law, represented in part at least by such me as Justice Holmes, Dean Pound of Harvard, Dr. Ernst Freun and President Goodnow, which believes in returning to th fundamental purpose of the law, *viz.*, the social good, and i making the law a living, breathing organism. May we no look forward to a time, perhaps when our people have attaine greater homogeneity than now, have reached a higher lev of intelligence, and are more fully imbued with an abidin devotion to our common ideals and traditions, when it wi be considered safe to relax the bonds that have bound u hitherto, and when the basic law of the country will be writte as it is already so largely in Great Britain, not upon table of stone, but in the minds and hearts of the citizens?

PART V

COLLECTIVISM

CHAPTER XXII

CO-OPERATION

1. CONSTITUENCY AND PURPOSE

ABSTRACTLY considered, there may be grave question whether co-operation should be classed as a branch of the labor movement. The term itself offers a sad example of that curious perversion to which words are subject when they become too popular. Beautiful as is the suggestion of equality and mutuality which the derivation of the word gives, its use, now that it has acquired an advertising value, furnishes no special guarantee of honesty or reliability. "Co-op." or "co-operative" have long been used as a cover for fakes and frauds, against which the pure and undefiled co-operators have found it necessary constantly to warn the gullible public. That large and increasing group of co-operative marketing organizations, such as the California Fruit Growers, farmers' elevator companies, and dairymen's leagues—great and valuable as are the services which they render in standardization, packing, shipment, and sale—are conducted primarily for the greater profit of their members, and offer no significant or revolutionary departure from ordinary business methods. Many of them, it is true, likewise engage in collective buying of supplies and equipment, and to that extent, though restricted in their scope, may be regarded as examples of genuine consumers' co-operation.

"Producers' co-operation," in the form of self-governing workshops, looks upon its face like a more purely working-class effort, and was, as we shall see, promoted and defended by many excellent people throughout the nineteenth century as the real solution of the labor problem. But although much of that old psychology and class-consciousness still crops out to pester and confuse the co-operative movement, repeated

failure has attended these experiments; and the few which have survived have become so exclusive and so capitalistic in spirit as to forfeit any claim to the title of "co-operative." [1]

Consumers' co-operation, on the other hand, as an attempt to organize the purchasing power of the community, and through this ultimately to control both the production and the distribution of goods, is imbued with an ambition and a philosophy much broader in its scope than any mere wage-earning group; and has, in fact, as its strongest appeal and claim to excellence that it is not a class movement but ministers to the needs of all. In Great Britain, where it began and where it has probably had its greatest development, and more especially since it has embarked so largely upon the field of production, it has even experienced some of the trials of an employer and has had disputes and strikes on its hands.

Yet, as illustrating once more the principle that the most hospitable soil for any reform is to be found among those whose conditions are relatively most necessitous and most productive of discontent, we find that the consumers' co-operative movement in Great Britain was started by workingmen, that it has continued to be led and carried on chiefly by workingmen, that the working people are still looked upon as its main constituency, and that it has received its most enthusiastic endorsements from other labor groups, such as the Trades Union Congress and the socialists. In America, where, for reasons analogous to those which explain the relative backwardness of unionism, the growth has been much later and slower, and where the farmers' societies of the Middle West mass so large in the statistics, there has none the less been a strong labor interest in co-operation. It was specifically approved by the old National Labor Union in the sixties, was at times held up by the Knights of Labor as almost the chief reliance and hope of their cause; and has been repeatedly commended since 1917 by the American Federation. It has been tried with some success in many industrial communities, as, for example, in the factory towns of New England and by

[1] Cf. *infra*, p. 566.

the coal miners in Illinois. And its more far-reaching aims have always appealed chiefly to wage-earners.

But if we call consumers' co-operation a branch of the labor movement, we must admit that it has not excited so much opposition and controversy as have confronted the other branches. Rather it appears to have won golden opinions from outsiders of all degrees, as, for instance, in earlier times in England from John Stuart Mill and Professor Jevons, from Lord Brougham and Lord Rosebery; [1] and quite recently in the United States from Senators Brookhart of Iowa and Wheeler of Montana, who made a study of the movement in Europe,[2] from the late President Harding,[3] from Houston Thompson, chairman of the Federal Trade Commission, after an investigation abroad,[4] and from President Coolidge in some of his addresses on farm problems.[5] One might suppose that a reform proposal of which so many speak well must be either nothing or everything.

The secret of this general approbation is not far to seek. It is found mainly in that judicious mingling of the immediately practical with the remotely idealistic which characterizes the co-operative movement. It is a kind of "stop-anywhere" revolution which offers something to everyone—a picture or a story in which each is permitted considerable freedom about filling in the details. It is quiet and unobtrusive, voluntary and not political, sane and gradual, taking one step at a time. It may displace or absorb certain existing agencies or enterprises, but it is careful not to antagonize. It proposes to succeed solely on its merits and through its superior service, not by force.

For those thrifty and practical souls who, either through habit or necessity, are interested primarily in making their

[1] Redfern, *History of C. W. S.* (Manchester), pp. 45-46, 54, 117, etc.

[2] Cf. *Co-operation* (New York), September, 1923, pp. 155-158.

[3] Speech at Idaho Falls, quoted in *Co-operation* (New York), August, 1923, pp. 127-128.

[4] Federal Trade Commission, *Co-operation in Foreign Countries* (Washington, 1925).

[5] Letter to National Council of Farmers' Co-operative Marketing Associations, given in *Co-operation*, March, 1924, p. 47. Cf. Warbasse, *Co-operative Democracy* (New York, 1923), pp. 47-48.

incomes go as far as possible, the co-operative store offers t
eliminate the middleman's profit, and to pay back to the pur
chaser any margin received above final cost. Being in the con
trol of the consumers themselves, and through its wholesale
and its own auxiliary productive undertakings reaching farthe
and farther back to the original sources of supply, it promise
to protect them against short weights, dilution, adulteration
and all the other shady and nefarious practices to which man
profit-seeking dealers and manufacturers are prone, and whic
even the ordinarily careful individual or the supposedly om
niscient eye of the government inspector find it impossible t
detect. The average run of consumers is perhaps not very in
telligent or rational in matters of diet or in other branches o
the art, and cases are sometimes observed where people tr
to cheat their own "insides"; but the co-operative society a
least removes the main incentive for exploitation and frau
from the supply side. Ever since the "hungry forties," whe
it was first firmly established by a group of distressed weaver
in Rochdale, and notably within the past quarter of a cen
tury, the high and especially the rising cost of living has give
the chief impetus to the growth of the co-operative movemen
And while managers and leaders may complain at the fickle
ness and shortsightedness of the "dividend hunter," an
lament the low conception which the larger number of mem
bers have of the purpose and possibilities of the society, the
very presence shows that co-operation has kept its feet upo
the earth. "Verily they have their reward"; and the move
ment has succeeded because it is a success.

For those gifted persons, however, who have more imagina
tion and whose temperament demands a somewhat longe
view, consumers' co-operation also has its attractions. Mode
ate and peaceful as it seems, it is yet capable of going as fa
if not always quite so fast, as anyone could wish. The Owenit
Socialist inspiration of the early movement in Great Britain
generally admitted. And although the ideal of a new socia
order worked out through co-operation was considerably ob
scured by the failure of the "self-governing workshops" whic
the old school of prophets thought to be the chosen metho

and though it is often lost sight of now by businesslike directors, it has never lacked its inner circle of devotees. The route over which the co-operators propose to travel is quite different from that of the state socialists; but the goal aimed for seems much the same. The zealous advocate of the system catches a vision of its growth and expansion from the local organization of consumers with its stores and shops, through the national and even international federation with its wholesales and great productive undertakings, until it covers substantially the whole realm of commerce and industry, and until the complete co-operative commonwealth, controlled and operated for service and not for profit, has been achieved.[1]

This double appeal of co-operation was well stated by Miss M. Llewelyn Davies as the first woman president of the British Co-operative Union in 1922:

> It is obvious that co-operation is far more than a reformist movement. . . . We are laying the foundations of a new industrial civilization. . . . Co-operation is surely subversive enough for the violent revolutionary, orderly enough for the pacifist reformer. It holds the glamor of future possibilities for the idealist, while at the same time the most practical materialist could not reasonably be dissatisfied when he notes what has already been accomplished.[2]

2. HISTORY AND FORMS—BRITISH

Little if anything of the dramatic or spectacular can be found in the history of co-operation. It has been for the most part, as Professor Gide remarks, like those happy and peaceful countries which have no history. The processes of its growth have been almost as imperceptible to the world as those of the corn stalk to the farmer, or of the massive oak in the forest. They are significant only in the light of what it is to-day and what it promises to become to-morrow. A certain continuity is given to the story by the slow and gradual clarification (not yet complete) of the idea that the con-

[1] Cf. Warbasse, *Co-operative Democracy*, esp. pp. 78-110, 189, *et seq.*, 356-357; Sonnischen, *Consumers' Co-operation* (New York, 1919), esp. part ii, chap. ii; Gide, *Consumers' Co-operative Societies* (trans.) (London, 1921), esp. chap. xvi.

[2] Quoted in Warbasse, *op. cit.*, pp. 372-373.

sumer is the true and fundamental economic unit, and tha upon his wants and interests the whole structure should b built. This development, as already implied, has been force upon the movement by circumstances and experience, an was not the outcome of clear vision or of profound and ac curate thinking from the start. The British co-operators o the nineteenth century, whose handiwork has been so muc praised and widely imitated in other countries, gave sufficien trial to all the wrong ways before they found the right one and the various succeeding steps which they have taken wer prompted mainly by their discovery that, in order to do som things properly and to their satisfaction, they were simpl compelled to reach farther back and do some other thing upon which the first depended.

The best point of vantage from which to get an impres sion of the magnitude of British co-operation is at No. Balloon Street, Manchester. There the huge show-rooms warehouses, and headquarters of the Co-operative Wholesal Society, Limited, covering the greater part of two blocks an many acres of floor-space, are located. Here on Tuesday gather the buyers from local societies all over the Midlan district, to replenish their stock of groceries, clothing, furni ture, drapery, queensware, hardware, and other staple good from the ample and varied stores of the "C. W. S." Branc depots of similar character are located at Newcastle, Bristo Cardiff, and London; and the Scottish Wholesale Society cen ters in Glasgow with an important branch in Edinburg (Leith). At Balloon Street the thirty-two full-time direc tors have a stated meeting every fortnight; and in the larg assembly hall the delegates from local societies meet ever quarter. At Holyoake House nearby are the offices of the Co operative Union, which looks after the publishing, propa ganda, and educational side of the movement. Thus sou and body, theory and practice, are kept pretty much togethe

But the real work and service of co-operation are, of course principally elsewhere, in the stores maintained by the mor than 1,300 distributive societies scattered, not quite every where, but very widely in the manufacturing and mining sec

tions of England, Wales, and Scotland, with thirty-six additional in Ireland; also in the great and varied productive enterprises carried on by both the English and Scottish wholesale societies (sometimes in combination with one another), and the extensive though somewhat less varied undertakings of the larger local societies. The movement, we have seen, rests upon the consumers. Out of a total population in Great Britain of some 42,000,000, there were more than 4,700,000 in 1924 who were members of retail co-operative societies. Assuming that in most cases these were persons with families, and that only one member of a given family belonged to the society, it would be safe to say that at least a third of the people of the country draw a portion of their supplies from this source. And in the Midland and Northern area where co-operation has been most successful, the proportion is much larger. The Pendleton Society in the Borough of Salford has for years had a membership of over 30,000 in a tributary population of about 200,000; the Leeds' Society has over 90,000 members in a city of some 460,000; and there are societies in Liverpool, Birmingham, Plymouth, Derby, Edinburgh, and London with more than 50,000 members.[1]

Members, however, are to be rated chiefly according to their purchasing-power and the degree of their loyalty. This is more difficult to gage. Certainly, in many of the towns and cities of England and Scotland, the premises of the main store of the co-operative society and of its numerous branches are the most pretentious of any, especially in the grocery line, their show-windows among the most attractive, and their stock the most complete. The total sales of the retail societies in Great Britain affiliated with the Co-operative Union in 1924 were nearly $875,000,000, and some years they have been well over a billion. The savings or "profits" from these transactions in 1924 were more than $90,000,000.[2] Somewhat more than half of the goods sold by the retails were supplied by the English and Scottish Wholesales; and the output of

[1] Cf. Webb, *Consumers' Co-operative Movement* (London, 1921), p. 72.
[2] *People's Year Book*, 1926, p. 18.

the productive establishments of the two wholesales in the same year was about $150,000,000, or one-third of their own sales. These products included flour, butter and cheese, lard, bacon, preserves and pickles, cocoa and chocolate, drugs and chemicals, soap, tobacco and cigars, cotton and woolen goods, hosiery, clothing, boots and shoes, furniture, hardware, pottery, motor vehicles, and many others.[1] The English Wholesale owns 33,523 acres of farm land in Great Britain and the two wholesales together have tea plantations amounting to 35,574 acres in the Orient and 10,000 acres of wheat-land in Canada.[2] The aggregate value of goods produced by local societies has many years equaled and often exceeded that of goods produced by the wholesales. The retail societies employed 134,419 persons in their stores and productive works in 1924, and the two wholesales, 43,989.[3] And none of these are top-notch figures. The movement has also its own large building, insurance, and banking departments.

How did all this come about? That co-operation as a form of mutual aid is, like unionism, a natural and spontaneous reaction to economic conditions—in this case monopoly, high prices, and adulteration—is shown by its long history and by the way in which it has risen again and again out of the ashes of defeat and failure. There is authentic record of a buyers' club in Fenwick, Scotland, as early as 1769, and of another at Mongewell in Oxfordshire in 1794. A co-operative flour mill was started with some official aid at Hull about 1795, and another at Whitby in 1812. The Sheerness Society, which started as a baking society in 1815, has had a continuous existence to the present day.[4] The so-called "union-shops" which had such a vogue between 1828 and 1834, and which were sponsored by Dr. William King and more tardily by Robert Owen, reached the number of 400 or 500 before most of them disappeared. Dr. King, indeed, has been recently "re-discovered" and is credited by some with having

[1] *Ibid.*, pp. 23, 69-70.
[2] *People's Year Book*, 1926, p. 72.
[3] *Ibid.*, pp. 19, 22; Gide, *op. cit.*, p. 184, and note.
[4] Gide, *Consumers' Co-operative Societies*, p. 14; Flanagan, *Wholesale Co-operation in Scotland* (Glasgow, 1920), p. 22; Potter, B. (Mrs. Webb), *Co-operative Movement in Great Britain* (London, 1895), pp. 42-44.

written the first exposition of the aims and methods of co-operative societies.[1] The movement at this time went so far that the beginnings of a wholesale were formed at Liverpool, and Owen started the Grays Inn "Labor Exchange" in London. But faults in organization, the lack of a legal status, and especially the diversion of labor-interest into other channels, such as Owenite Communism and Chartism, led to the abandonment of practically all these stores by 1834.[2]

The germ of present-day co-operation and the real beginning of a continuous history are usually found in the establishment of a small shop in the basement of a warehouse by a group of twenty-eight weavers in Rochdale in 1844. Scotch writers claim the honor of the idea of "dividends according to purchases" for Alexander Campbell, as early as 1822; [3] but since the "Rochdale pioneers" were the first to put it into practice or to attract general attention to it, and since they continued for some time to act as a kind of "mother society" and to shape the development of the movement, the palm goes to them. Campbell as well as William Cooper and Charles Howarth, the leading spirits of the weavers' society, were followers of Robert Owen; and while they were evidently possessed of more common sense than Owen often displayed, and evidently did not believe in trying to do the whole thing all at once, the ideal of self-employment and self-sufficiency is contained in their preliminary statement of purposes. Whether because of a great need, or the excellence of their plan, or their own business acumen, the Rochdale society prospered from the first. During its first year it did a business of about $3,500; at the end of a decade it had nearly a thousand members and was doing a business of over $100,000. Its fame and the existence of similar conditions caused the rise of numerous other societies in Lancashire, Yorkshire, and farther north.[4]

The success thus achieved and the difficulties, particularly

[1] Cf. Mercer, T. W., *Dr. William King and "the Co-operator," 1828-1830* (Manchester, 1922); Sonnischen, *op. cit.*, p. 14, *et seq.*
[2] Potter, *op. cit.*, pp. 44-58.
[3] Flanagan, *op. cit.*, pp. 32-33.
[4] Potter, *op. cit.*, chap. iii; Sonnischen, *op. cit.*, pp. 22-29.

for smaller societies, of getting their supplies on advantageous terms in the open market soon suggested the next step: *federation* and the development of central machinery, in order (1) to spread information and promote organization, and (2) to get the benefits of large-scale and honest buying. To answer the commercial part of this need, a somewhat artificial attempt to conduct a "Central Co-operative Agency" was made as early as 1850 in London by Vansittart Neale and other Christian Socialist sympathizers with co-operation; but it was far from the center of the movement and lasted only two years. Several of the larger local societies, especially that of Rochdale in 1856, volunteered to conduct wholesale departments; but jealousy and suspicion of profiteering put an end to that. Conferences of the representatives of leading societies looking toward the formation of a wholesale began in 1860; and after some legal difficulties in the way had been removed through the efforts of John Bright, Neale, and other friends in Parliament, the "North of England Co-operative Wholesale Industrial and Provident Society, Limited" was formed in 1863. It started business in Manchester in 1864, first as an agency, but soon, as the advantages of having goods in stock and on display became apparent, as a true wholesale.[1] The Scottish societies, after their request for a branch had been refused, formed their own wholesale in 1868. Branches of the North of England Wholesale were established at Newcastle in 1872, in London in 1874, in New York in 1876, in Bristol in 1884, and in Cardiff, Wales, in 1891. The sectional designation was lopped off in 1872, and the initials "C. W. S." are all that are needed for identification almost anywhere throughout the English-speaking world and beyond.[2] Professor Gide declares that the English Wholesale Society is "perhaps the most remarkable economic phenomenon of the nineteenth century."[3]

The *Co-operative Union* as a clearing house of information and an educational institution grew out of the First Co-opera-

[1] Redfern, *Story of the C. W. S., 1863-1913* (Manchester), pp. 11-16 and chaps. iii-vi.
[2] Redfern, *op. cit.*, pp. 60, 73, 88-89, 97, 145, 148.
[3] Gide, *op. cit.*, p. 183.

tive Congress held in London in 1869. It had been preceded by somewhat irregular, sectional conferences. Unlike the wholesale societies, it has not been limited in its membership to consumers' organizations; but has from the first offered hospitality to almost any body, whether of producers, profit-sharing employers, marketing associations, or joint-stock companies, that could mumble the magic word of "co-operation." This has often given rise to much internal wrangling and to considerable disagreement between it and the wholesales. Yet the members of consumers' societies constitute fully 99 per cent of its adherents.[1] The educational and propaganda work of the Union is conducted through its annual congresses (whose proceedings are somewhat elaborately published), through pamphlets, books, and two or three monthly periodicals,[2] and more recently through summer schools, "week-end schools," and study classes. The whole has been very much handicapped by limited funds and, until lately, by the absence of full-time paid officials. The establishment of a co-operative daily paper to give the movement a larger and fairer publicity has been endorsed by several recent Congresses.[3]

In 1918, in accordance with a resolution passed at the Swansea Congress of 1917, the Co-operative Union and the movement generally entered upon a new function. Hitherto it had prided itself upon being essentially non-political in its method and had refused to affiliate with the Labor Party. But the War opened its eyes. The ignorance and indifference, if not outright opposition, displayed toward the co-operative societies by the government, the unfair and discriminatory treatment meted out to them in the control of food and fuel supplies and prices, the depletion of the ranks of co-operative employees by draft boards that were biased in favor of their chief competitors, and the attempt to apply to their funds the excess profits duties, all convinced many members that

[1] *People's Year Book*, 1925, pp. 18-22; Webb, *op. cit.*, pp. 134-161.

[2] The C. W. S. publishes *The Wheatsheaf*, which has the widest circulation, and *The Producer*, while *The Co-operative News* and *The Scottish Co-operator* are published by a separate National Co-operative Newspaper and Publishing Society.

[3] Cf. *Educational Programme and Syllabus of Classes* (Manchester, 1920); *People's Year Book*, 1925, pp. 27-28; Webb, *op. cit.*, pp. 142-143.

political affairs could not be safely neglected. A committee to promote the representation of co-operative interests in Parliament and upon local governing bodies was therefore appointed in 1918 and, after sponsoring the candidacies in the general election of that year of some ten co-operators for Parliament (one of them successfully), came in 1919 to be known as "the Co-operative Party." Acting as a department of the Co-operative Union, supported by the separate contributions of societies affiliated to it, and dividing the field as amicably as possible with the Labor Party (although not yet directly affiliated with it), this new organization has continued to participate in each succeeding election. In 1922 it won four seats in Parliament; in 1923, five; and in October, 1924, five; and its leaders consider that it has already done much in a defensive way to establish co-operation as a force to be reckoned with.[1]

For many, however, chief interest in the British co-operative movement centers in its *productive enterprises*. Retailing and wholesaling, they say, are good, so far as they go, in eliminating the ill-gotten gains of middlemen and making the wages of labor go farther; but they do not go to the root of the matter, and do not promise to transform the capitalist system itself. Only control of production can do that.

The Christian Socialists, already mentioned, and their followers, who contracted the idea largely from the French, and who founded in 1849 their "Society for Promoting Working Men's Associations," wished, of course, to begin here instead of with associations of consumers. And although they were disheartened by the failure of the dozen or so workshops which they fostered during the next four or five years, they continued for nearly half a century, in season and out of season, to use their great literary gifts and no small part of their private funds to exalt production and the rights of the worker above any mere economies that co-operation could bring to the consumer. Mr. Redfern, the able historian of

[1] Cf. Watkins, *The Co-operative Party: Its Aims and Work* (pamphlet (Manchester, 1921); Mercer, T. W., *Co-operative Movements in Politi* (pamphlet) (Manchester, 1920); Perry, S. F., Secretary of the Party, an others in *People's Year Book*, 1922, pp. 40-43; 1924, pp. 47-56; 1926, pp. 48-57 Webb, *op. cit.*, pp. 244-271.

C. W. S., Mr. and Mrs. Webb, and other writers leave little doubt but that, excellent and public-spirited men as they were, and useful as they often proved in legal and political matters, the influence of the Christian Socialist group upon the progress of the movement in Great Britain was, in the main, unfortunate if not absolutely pernicious.

After the C. W. S. came into existence and had accumulated reserve funds, it became customary for newly formed organizations of producers to look to it for capital and as a market for their output—both of them favors which, in the absence of any clear perception of the proper order of things, were quite liberally granted. The outcome was that on several occasions the Wholesale and some of its constituent consumers' societies got their fingers severely burnt. The reputation for disaster acquired by these productive experiments could not of itself but hurt the whole movement. The assistance which the Wholesale and some local societies extended to the Ouseburn Engine Works near Newcastle in the early seventies was rewarded by a loss of some $40,000 to the Wholesale and still more to the Halifax Society. In the failure of the Industrial Bank, which was closely allied with the Engine Works and which "followed close upon," as well as because of overdrafts that had been allowed at the time to about two dozen other productive enterprises, the C. W. S. was itself placed "in very great straits." In trying to help out four producers' paper companies, the Wholesale incurred a loss of about $160,000 in 1881; and similar dealings with a number of collieries controlled by the workers in the same period brought losses, as Mr. Micawber might state it, of $50,000, $45,000, and $100,000, respectively.[1] Certainly, these were rather costly lessons; but they were not all. While acting as agent for the goods of producers' societies, particularly in the drapery line, the Wholesale sometimes found itself overstocked with unsalable goods; and the extreme one-sidedness of the arrangement was further revealed, as the chairman of the society, J. T. W. Mitchell, once stated, when some of the societies thus assisted, consulting only their own profit,

[1] Redfern, *History of C. W. S.*, chap. xiii.

sold the same goods to the customers of the Wholesale at lower prices.[1]

This same sentiment on behalf of self-employment, fanned by Holyoake, Neale, Hughes, and others, led to repeated efforts, particularly in the period from 1872 to 1887, to commit the whole movement to a profit-sharing or bonus scheme that was on its face inconsistent with the principles of a consumers' organization.[2] Doubtless, some survivals of this old notion are also in part to blame for the attitude sometimes shown by the organized employees of the co-operative societies.

There are still 105 "productive societies" affiliated with the Co-operative Union, but they have less than 40,000 members in the aggregate; and there is little reason to believe that an analysis of their respective constitutions and methods would show anything different from the analysis made many years ago by Mrs. Webb: that nearly all of those which have been successful have become exclusive, and are really joint-stock companies indistinguishable from other profit-making businesses.[3] The real co-operative production is to be looked for elsewhere.

The accounts of productive enterprises undertaken by consumers' co-operative societies and especially by the wholesale societies give the impression that they were not the outcome of any preconceived theory (although there may have been that in some minds), but rather the logical working out of a purpose to which they had set themselves. They were, like life, "just one thing after another." The same reasons that made for co-operative buying—the desire to control quality, to obtain a constant supply, and to eliminate profits—seemed to argue, also, first, for more and more direct buying through purchasing agencies located in the centers of production, and then for production itself. The greater difficulties of this latter step—the capital involved, the problems of management, such as changing methods and a larger working-force—may in

[1] Redfern, *op. cit.*, pp. 99, 183.
[2] *Ibid.*, pp. 79-82, 183-187.
[3] Potter, *Co-operative Movement*, chap. v; Sonnischen, *Consumers' Co-operation*, chap. v.

some cases have been dimly perceived; but they have been mostly learned and, it must be confessed, largely surmounted, by the method of trial and error. The great advantage of beginning with the organization of consumers lay in the preparation of a reasonably assured market for staple goods. Capital, too, in the form of share-capital, in deposits or loans left with the local society by members or by the retail societies with the wholesales, and in reserve funds accumulated by the management, was available in considerable volume. The members of the societies might be relatively poor; but, as with savings-bank deposits, their funds in the aggregate were quite respectable.[1] Consciousness of the honesty of their own purposes and confidence in the business ability and devotion of their officers were enough to overcome any additional causes for hesitation.

Several, indeed, of the C. W. S. plants were more or less unwelcome inheritances or purchases from producers' or retail societies. Local societies began some phases of manufacture, notably baking and milling, at a very early date in their history, whereas the English Wholesale did not enter the field until 1873, and the Scottish Wholesale until about 1885. The Bugle Horn Colliery was one of the producers' society ventures which the C. W. S. had to take over for debt in 1878, and which it tried, also unsuccessfully, to operate for several years. The Batley woolen mill "fell in" also on a mortgage in 1883, and, after being leased for a time, has since been successfully conducted by the Wholesale. The rise of large-scale methods in milling made it desirable to have this industry carried on to a greater extent by the federated societies; and the old Rochdale corn mill, first started in 1850, and the more modern "Star" mill in Oldham, were bought by the Wholesale in 1905. Other plants like the Crumpsall works, first opened for the manufacture of biscuits and sweets in 1873, and the "Sun" flour mill in Manchester, were bought, ready-built and equipped, from outside parties.[2]

[1] In 1924 the retail societies reported share- and loan-capital of over $450,000,000; and the two wholesales had share- and loan-capital of over $180,000,000 (more than four-fifths of it loan-capital) and reserves of over $15,000,000.

[2] Redfern, *History*, pp. 109-110, 175-176, 224-226, 236.

Always before starting upon any venture, the directors of the C. W. S. have considered the possible conflicting interests of local societies already engaged in it, and have made a thorough canvas of the different possible locations. To some extent they have attempted to distribute plants according to market needs throughout the country, as in the location of their flour mills; but there has also been some tendency toward concentration of related and even diverse industries at such points as Silvertown, Irlam, and Perlaw.[1] President Maxwell of the Scottish Wholesale had a vision in 1885 of a "garden city"; and the principal productive activities of that society were therefore centered at Shieldhall on the then outskirts of Glasgow. This great mass of buildings, looked upon as a "hive of industry," is certainly impressive, but the dream of the founders in respect to housing and beautiful surroundings has not been realized.[2]

Other enterprises carried on by the wholesale societies seemed to grow quite naturally out of those already in progress. The need for raw materials has been the most prominent factor. The soap works at Durham and later at Irlam led to the oil and tallow factory in Sidney, Australia. The requirements of a jam factory caused the purchase of the Roden estate to raise fruit; and since this estate had a large hall, it was converted into a home for convalescents. The maintenance of a tea warehouse jointly by the two wholesales prompted the acquisition of tea plantations in Ceylon; and the uncertainties of the speculative buying of wheat for the flour trade have induced the purchase of wheat-lands in Canada. A surplus of cloth from the Batley woolen mill led to the manufacture of clothing.[3] The banking department was opened in 1872 to look after the surplus funds of constituent societies, and has more recently become the great depository for other branches of the labor movement.[4] The movement toward self-sufficiency has been further stimulated, especially in Scotland, by the antics of trusts and "traders'

[1] Cf. Redfern, *op. cit.*, chap. xxii, and *People's Year Book*, 1925, pp. 58, 61.
[2] Cf. Flanagan, *Wholesale Co-operation in Scotland*, pp. 128-130.
[3] Cf. Redfern, *op. cit.*, pp. 176, 209, *et seq.*, 244.
[4] Webb, *op. cit.*, p. 98, *et seq.*

defense associations." The construction of the English flour mill at Dunston near Newcastle in 1889 was hastened by the rumor of a milling combination. The effort of the Fleshers' Association of Glasgow in 1896 and after, to boycott the co-operative societies and to prevent them from getting either meat or cattle in the local market, was met by the Scottish Wholesale, not only in the courts, but by arranging for regular shipments of cattle from Canada. When the manufacturers of a popular brand of soap not only tried to fix the retail price at which it could be sold, but to prevent the co-operative societies from paying rebates on such purchases, the Scottish Wholesale answered by closing its account with the firm; and, after getting its soap for a time from the Irlam works of its sister wholesale, eventually setting up its own soap works at Grangemouth.[1] The C. W. S. also had the satisfaction of winning a contest with the "Soap Trust." [2] "Trust-buster" has become the "middle name" of co-operation.

3. CO-OPERATION IN AMERICA

The history of co-operation in the United States consisted, until quite recently, mainly of reasons why it did not exist. The failure of numerous attempts during the past century to start the movement here was fully explained by lack of proper guidance as to methods, by unfortunate affiliations with other movements, but especially by untoward American conditions. The country was new and the spirit of individualism very strong. Unrest and ambition most often took the form of migration. People were not interested in such entangling alliances or long-term investments as a co-operative society. In many sections there was great heterogeneity of racial composition and of tastes and customs. The greater number were too prosperous to be interested in small economies.[3]

Most of these reasons were certainly valid and many of them still hold to-day. But the situation is no longer regarded as quite so hopeless. Ignorance of the proper methods

[1] Flanagan, *op. cit.*, pp. 153-160.
[2] Redfern, *op. cit.*, p. 242, *et seq.*
[3] Cf. Peabody, introduction to Ford, *Co-operation in New England* (New York, 1913), pp. viii-xiv; Warbasse, *Co-operative Democracy*, pp. 428-433.

and mode of organization can be overcome, and is being overcome, through imitation of the British system and by the formation of an educational body such as the Co-operative League. The immigrant population, far from being a liability, has often proved an asset, because some of the most vigorous societies are found among the Finns of Massachusetts and New York, and among the Finns and Scandinavians of the Northwest. A large number of Americans, either because of survivals of New England thrift, or because of the high cost of living, or because they wish to save on groceries and other necessities in order to have an automobile or some other luxury, have shown themselves interested in cutting down, if not completely eliminating, the middleman's profit. The popularity and growth of the chain stores and cafeterias and the periodic scramble for bargains, are evidences of this sentiment. Apparently, it is only necessary for consumers' co-operation to demonstrate whatever superiority it has over existing methods, to get a following.

Because of the scattered nature of the attempts and the absence until recently of any continuous effort to harvest co-operative news items, the statistics are much less complete and reliable than those supplied by the Co-operative Union in Great Britain. But it is conservatively estimated that in 1920 there were at least 3,000 consumers' co-operative societies in the United States; that, while less than 1 per cent of those for which full data is available had as many as 2,000 members, the total membership was probably at least 775,000, and the total business done reached $285,000,000, or an average of about $375 per member.[1] There are known to be about 85 distributive societies in New England, 150 in the Middle Atlantic States (chiefly in Pennsylvania and New York), 100 in Illinois, over 350 in Michigan, Wisconsin, and Minnesota, about 275 in Kansas, and 325 in Nebraska.[2]

[1] Parker, Florence E., *Consumers' Co-operative Societies in the United States,* United States Bureau of Labor Statistics, *Bulletin* no. 313 (1923), esp. pp. 9, 17, 29, 81.

[2] Warbasse, *op. cit.*, pp. 434-435 and letter of April 30, 1926. Cf. Parker, *op. cit.*, p. 9, *et seq.*

Much of this is, indeed, new growth. The survey made by the Bureau of Labor Statistics in 1920 indicated that more than two-fifths of the purely consumers' societies and nearly one-fourth of those classified as "agricultural," because they combined marketing functions with those of retailing, had been in business less than two years; and that about two-thirds of both classes together had a life-history of less than five years. Only a very small fraction had been operating for as much as twenty-five years, and these mainly in New England.[1] It is not possible, either, to know accurately how many of those reporting in 1920 have since succumbed to business depression or the falling prices and shrinking inventories which have been so disastrous to such movements in former periods.

There are, as previously suggested, two main strands in the co-operative movement in the United States, one proceeding from the wage-earners and the other from the farmers. The latter, although it has had a large development on the consumers' side and much of it along Rochdale lines, is usually combined with more purely commercial aims—the marketing of farm products—and lies mainly beyond the purview of this study. It was sponsored in the seventies and is still sponsored to some extent in New England and elsewhere by the Grange or Patrons of Husbandry; and since 1902 it has been promoted in the West by the Farmers' Educational and Co-operative Union.[2] Just what its relation is or should be to the movement among industrial workers is problematical. It subscribes to the immediate purposes, but is not much given to idealism or radical proposals.

Little has survived from several early attempts at co-operation, and but for the lessons that they bear regarding structure and entangling alliances, they can be passed over hurriedly. The first of these, under the auspices of the Workingmen's Protective Union (later the New England Protective Union), began when John G. Kaulback, a tailor, and his asso-

[1] Parker, *op. cit.*, pp. 22-23.

[2] Cf. Buck, *The Granger Movement*, chap. vii; Fisher, C. B., The Farmers' Union (*University of Kentucky Studies*, vol. i (1920)), esp. chap. ii.

ciates in Boston formed a buying club in 1844, and the year following started a store. More than 700 societies are said to have grown out of this undertaking during the succeeding decade. But most of them were faulty in their methods, and the depression of 1857 and the difficulties of the Civil War period carried off most of them. Professor Ford found but four of them still alive in 1913, and but two of these had full co-operative features.[1]

A similar fate attended the various producers' co-operative enterprises, mostly under union domination, which American labor started after the Civil War and during the seventies and eighties. W. H. Sylvis, himself an iron molder and leader of the National Labor Union in 1866 and following, was a strong advocate of self-employment for labor; and the molders of Troy and Rochester, New York, for a time won considerable celebrity for the foundries which they established in 1866 and 1867. Other trades, such as the cigarmakers, coachmakers, shoemakers, and coopers, took up the idea; and the coopers' factory in Minneapolis, started in 1874 and so enthusiastically described by Dr. Albert Shaw in 1888, was long the stock example of success in producers' co-operation. But all of these were narrow in their original conception, and those that were financially successful quickly became joint-stock companies.[2]

The stores established by the Sovereigns of Industry, an organization chiefly of working-people in the factory towns of New England founded by William H. Earle in 1874, for a time promised to put co-operation really on its feet. At the peak of its prosperity in 1875-76 the order had over 450 locals, and a large proportion of these had their buying clubs or stores. But there was evidently too much centralization, too much dependence upon the leadership of Mr. Earle and John Orvis, and a too rapid sweeping together of incompatible elements. The order itself succumbed to the hard times

[1] Ford, *Co-operation in New England*, pp. 13-20.

[2] *Workingman's Advocate* (Chicago), September 7, 1867, p. 3; October 12, 1867, p. 2; Andrews in Commons, *History*, vol. ii, pp. 53, *et seq.*; 110, *et seq.*; Shaw, *Co-operation in a Western City* (*J. H. U. Studies*, sixth series (1888)), pp. 199, *et seq.*, 214-217, 230-242.

in 1879, and only a few isolated stores remain to tell the tale.[1]

The subsequent development of co-operation in the industrial communities of the United States is scattered and somewhat patchy, but has the aspect of health and permanency. It has, fortunately enough, not been fostered in the main by any central organization; but, after starting as more or less isolated local societies, has recently shown a desirable and perfectly normal tendency toward federation and co-ordination. The extent of the progress made during and after the War and the lull that seems to have come since about 1921 indicate that rising prices were again the underlying factor. But owing to the difficulties presented by the American environment, already referred to, some other impetus or bond of union besides that of mere contiguity or pure and simple consumers' interest has usually been required to set things in motion. Race and nationality have probably been the strongest of these. All along, the immigrants have often found themselves imposed upon by dealers of American or other nationality, because of their unfamiliarity with the language and with brands and standards of measurement. Strangely enough, some of them have found American-made products less palatable or otherwise less acceptable than those to which they had become accustomed in the old country. This accounts in part for the considerable number of co-operative bakeries started by the Jews and by the Finns and Scandinavians. A common occupation or employer, and especially membership of the same union, have supplied additional grounds for confidence and mutuality. The farmers and the coal miners in Illinois have already been cited. Labor banks, started and controlled by certain labor organizations, are often spoken of as co-operative but are not so regarded by many of the leaders of co-operation. Probably less than on the Continent of Europe has religion in America formed the initial cohesive force for co-operative societies.[2]

[1] Ford, *Co-operation in New England*, pp. 21-27; Bemis, *Co-operation in New England* (*J. H. U. Studies*, sixth series (1888)), pp. 39, 51-52.

[2] Cf. Warbasse, *Co-operative Democracy*, pp. 433-437; Ford, *Co-operation in New England*, chap. iii; Sonnischen. *Consumers' Co-operation*, p. 157, *et seq.*

Taking the country as a whole, we find a considerable diversity of services performed by co-operative societies. Groceries and general merchandise, the former in many cases in combination with meat, and the latter (especially among farmers' societies) in combination with coal, still account for much the larger number of undertakings—more than ninety per cent of those reporting to the Bureau of Labor Statistics in 1920.[1] There are, however, believed to be approximately seventy-five co-operative bakeries, the most of them in Massachusetts, New York, and New Jersey, and the most famous, perhaps, being the Purity Bakery of Paterson, New Jersey, which protested during the War that the government was fixing the prices of bread too high![2] There are a few milk-distributing associations, the best known of which is the Franklin Creamery in Minneapolis, started in 1921 and having over 6,500 members in 1924, with a business of about $3,500,000.[3] The standing example of a successful co-operative restaurant is "Our Co-operative Cafeteria," opened in the office-building district of New York in 1920, and now running five branches and a laundry.[4] Seven co-operative laundries were reported to be in operation in 1922.[5] Three housing societies were listed by the Bureau of Labor Statistics in 1920, not to mention the large number of building and loan societies which are somewhat between co-operative credit and co-operative housing organizations.[6] Credit societies to handle the field of thrift and to put the pawnbrokers out of business have had considerable growth in Massachusetts, New York, and North Carolina, the numbers in 1923 being 95, 104, and 25, respectively.[7] Labor banks, some of which are co-operative in dis-

[1] Parker, *Consumers' Co-operative Societies,* p. 28.

[2] *Proceedings of the Third Congress of the Co-operative League,* 1922 (New York, 1922), p. 110. Cf. Sonnischen, *op. cit.,* pp. 162-163.

[3] *Co-operation* (New York), October, 1921, pp. 165-166; November, 1923, p. 183; *Proceedings of Co-operative League,* 1924, pp. 89-95, 145-146.

[4] *Co-operation,* November, 1923, p. 192; *Proceedings,* 1924, pp. 97-98.

[5] *Proceedings* as above, 1922, pp. 116-117.

[6] Parker, *op. cit.,* p. 28.

[7] *Co-operation,* January, 1925, p. 13; Whitney, E. L., *Co-operative Credit Societies in America and in Foreign Countries* (United States Bureau of Labor Statistics, *Bulletin* no. 314 (1922)), pp. 39, 45, 50; *Proceedings,* 1922, pp. 72, *et seq.*

tributing profits to depositors after a dividend, usually 8 or 10 per cent, has been paid to stockholders, really began with the Brotherhood of Locomotive Engineers National Bank in Cleveland in 1920; and have now (1926) reached thirty-three in number. The Amalgamated Clothing Workers' banks in Chicago (1922) and New York (1923) and the International Union Bank organized by the Ladies' Garment Workers in New York in 1923 are other notable examples. Through these agencies working in the field of commercial credit and investment, the unions intend to keep control of their funds and to direct them into channels beneficial rather than prejudicial to labor interests.[1]

Besides all these, there are co-operative publishing societies, co-operative oil and gasoline companies, students' co-operatives at many of the larger universities, some 300 co-operative telephone societies, and many mutual insurance companies. Several, indeed, of the larger co-operative societies carry on a number of varied activities in combination or close affiliation with one another. The United Co-operative Society of Fitchburg, Massachusetts, has, for example, four grocery and meat stores, a bakery, a milk department, and a men's furnishing department; while the Finnish societies in Brooklyn, New York, have a grocery and meat store, a bakery, a restaurant, and a pool-room; and since 1916 have promoted and carried through fifteen co-operative apartment houses.[2]

Aside from baking and some of the minor phases of meat production, little if anything in the way of manufacturing has so far been attempted by American consumers' societies. That must doubtless await more extensive and more intensive organization, particularly the development of strong wholesales. Federation itself, both for education and trade, has made some progress. The Co-operative League, formed in 1916, may have been a bit too largely a result of the efforts of a

[1] Boeckel, R., *Labor's Money* (New York, 1923), esp. chaps. viii, x, xii-xiii; McCaleb, W. F., in *Proceedings of the Third Congress of the Co-operative League,* 1922, pp. 67-72; Brookhart, "Co-operative Banking Legislation," *Co-operation,* February, 1925, pp. 24-25. The largest of the labor banks in New York is reported to have abolished the 10 per cent limit on earnings to stockholders. (*Co-operation,* March, 1926, p. 49.)

[2] *Co-operation,* April, 1925, pp. 61-65.

few able and enthusiastic individuals like Dr. Warbasse and Cedric Long to be considered perfectly spontaneous; but through its educational and propaganda work and the conduct of biennial co-operative congresses it has filled a real need and helped to give the movement the benefit of European as well as American experience. At the time of the congress held in New York in 1924, it had affiliated with it 333 of the stronger societies with an estimated total membership of about 50,000.[1] District leagues of similar character and purpose have been formed for the Eastern States and for the North Central area; and the Farmers' Union serves this end for the farmers' societies of the West.

No attempt at a general wholesale for the whole country has yet been made and, considering the fact that the trend in competitive as opposed to co-operative merchandising is rather away from the national and even the sectional jobber and toward the local jobber, such an institution is perhaps not necessary or desirable at present.[2] But there have been the usual complaints of discrimination against co-operative stores by regular wholesalers; and hence several sectional wholesale societies have been organized. The Co-operative Central Exchange with headquarters at Superior, Wisconsin, and intended to serve the states of Michigan, Minnesota, and Wisconsin, was formed in 1917 and, except for the deflation difficulties so general in 1921-22, has had a prosperous existence.[3] The Washington Associated Grange Warehouse Company at Seattle and the Farmers' Union State Exchange at Omaha have attracted attention as successful wholesales in their respective fields.[4] All together, thirteen co-operative wholesale societies were discovered in the United States by the Bureau of Labor Statistics in 1920, besides six others doing both wholesale and retail business.[5]

[1] Secretary's Report in *Proceedings*, 1924, pp. 144-146.

[2] Cf. Clark, F. E., *Principles of Marketing* (New York, 1922), pp. 147-150.

[3] *Co-operation*, May, 1920, p. 77; October, 1923, p. 174; March, 1924, pp. 46-47; February, 1925, pp. 33-34.

[4] *Proceedings*, 1924, p. 187; *Co-operation*, April, 1924, p. 56; July, 1925, pp. 121-124.

[5] Parker in *Bulletin* no. 313, p. 69, *et seq.*

Thus America has made a beginning toward co-operation, although as compared with Great Britain it is but a beginning.

4. TECHNIQUE

The principal stages in the development of co-operation and the general features of its resulting structure now stand revealed. It proceeds from the organization of consumers in local retail societies, and rests upon these as its broad, democratic foundation. These local societies are federated for educational and for business purposes, with some tendency, it must be confessed, for the central bodies to dominate and to attempt to govern their creators. From the field of wholesaling, partly through force of circumstances and partly as the logical working out of an ideal, the movement has come to produce many of the goods required by its own market. Production may be carried on by the larger local societies; but as large-scale operations become more and more important, it tends to be assumed to a greater extent by the wholesale society. The entire chain is under the control of the consumer, and if things go wrong it is the consumer's own fault.

But in any system of this kind it is vital not only that the psychology and the economics be sound, but that they be embodied in technical forms that are efficient and that work as automatically as possible. Organizations, no matter how perfect, will not, it is true, run themselves. Yet if they are to function properly it must be made as easy as possible for them to go right and as difficult as possible for them to go wrong. The central purpose must be kept constantly in view and the machinery and methods chosen such as to give it full and natural expression. Only under such conditions will the organization take on life and seem to expand and unfold, with a minimum of friction and difficulty, from its own inner strength and vigor.

The particular device that most fully embodies and expresses the aim of consumers' co-operation and which above everything keeps it upon the true course is the limitation which it places upon the power and rewards of capital and enterprise, on the one hand, and the premium which it puts upon

patronage and inclusive membership, on the other hand. In societies founded upon the Rochdale plan a minimum subscription for one share, usually of a par value of $5, is required to join and to have full voting power; [1] and upon this share and any additional shares up to the maximum allowed by the rules or by law (in Great Britain £200 is allowed by law) only the market rate of interest upon such funds is paid—5 per cent, 4 per cent, or even less. Any surplus income remaining to the society at the end of the quarter or other period of reckoning, after due provision has been made for depreciation and reserves (and possibly a small percentage for education), is paid rather to members in proportion to their purchases, or sometimes also to non-member patrons at a lower rate.

The underlying theory of the movement, which justifies this distribution of authority and of "profits," is, as already indicated, that, at least in the realm of staple and well-established commodities which co-operation covers, demand is a more important factor in the market than supply; and that control by and in the interests of the consumer should be much more direct than it is under the system of competitive individual enterprise. "It is founded," as Professor Gide says, "upon one of the most certain of economic laws, the law that the success of a business enterprise depends less on its capital than on its customers." [2] What co-operation capitalizes is really "good will" in its broadest sense; and instead of this being attributed to any intrinsic merit of any particular concern or any service that it has rendered, and being thus made the basis for future claims, the whole thing—business, good will, and all—is taken over by the associated consumers. In so far as any need remains for the exercise of the risk-taking function, this is cared for by the group of co-operators them-

[1] The average investment required in American societies is considerably larger than in Great Britain. About two-fifths of the strictly consumers' societies reporting to the Bureau of Labor in 1920 required less than $25; but the average for all was $47. (*Bulletin* no. 313, pp. 36-37.)

[2] Gide, *Consumers' Co-operative Societies*, p. 55. In line with this, Herbert Casson states in *Forbes' Magazine* that a customer who buys $25 worth of goods per year is as good as $50 in capital, and one who buys $250 is equal to $500 capital. (*Literary Digest*, July 18, 1925, p. 67.)

selves; and they are therefore entitled to any profits that may be found wrapped up in the prices charged for goods. When the movement was new and before the societies had organized their market and proved their worth, there was undoubtedly call for courage and the spirit of adventure. But in a country like Great Britain where there has been more than three-quarters of a century of steady growth and where the undertakings of the co-operative societies have become so varied and so firmly established that they afford their own insurance against loss, the new member who takes out his qualifying share or who makes his society the repository of his savings, even more than the bondholder in an ordinary business enterprise, is an investor rather than a speculator. As such he expects and is entitled to nothing above the current investment rate on his funds. In some of the societies on the continent of Europe, notably in Germany, there has been a disposition to presume upon the enthusiasm of members and deny even this reward to capital. But in English-speaking countries it is realized that, with competing investments and considering the growing needs of the societies for capital to finance their stocks and their far-flung undertakings, such a policy would be suicidal. The effort is rather to encourage larger subscriptions to shares and larger deposits.

The real value of a member to the society, however, aside from such helpful advice and criticism as he may be able to give on the management side and in the quarterly meetings, is assumed to be in the use he makes of his purchasing power. The more loyal he is and the larger the proportion of his expenditures made at the "co-op.," the better stock it can carry, the larger its rate of turnover, the more widely its overhead expenses will be spread, and hence the greater the economies it can effect. Instead of being exclusive, the consumers' society has every incentive for being inclusive. "Dividends," therefore, are paid upon purchases; and voting power is granted not on the basis of the number of shares but on the democratic principle of "one man, one vote." The practice among wholesale societies, whose members are not individuals but societies, must naturally be different. The

Scottish Wholesale from the beginning and the English Wholesale since 1921 have adopted a refinement of this principle by making representation at quarterly meetings and voting power for directors proportional to the purchases made by any society from the wholesale during the preceding period.[1] So far is a member's subscription to the share-capital of his society from being regarded as his chief title to esteem that he is commonly allowed to become a member upon making an initial cash payment of a shilling or so, and then to apply his "dividends" as they accrue to the discharge of the remainder.

The *"dividend"* itself, except perhaps in the slight degree already mentioned of reward for group enterprise, is in no true sense a profit; and its amount is likewise no true index of the prosperity or serviceability of a co-operative society. To show its real nature and to avoid confusion, Dr. Warbasse has suggested the somewhat cumbersome terms of "savings-return" or "surplus-savings." But the old term continues to be used and even co-operators themselves do not always understand what it means. This payment made at the end of a quarter or less frequently in some cases, upon the basis of duplicate slips issued at the time of purchase or some other method of computation, is really a rebate, and grows naturally out of the price-policy followed by societies under the Rochdale plan. Partly because sale of goods at reduced prices, if made to outsiders on the same terms as to members, would remove the chief financial incentive to join; partly because this would prove most exasperating to other dealers and provoke retaliation; partly because the savings effected seem larger if allowed to accumulate over a period; but most of all because it is impossible to estimate all costs accurately beforehand, and because a surplus is desirable for expansion and for taking advantage of discounts, the approved practice is to charge practically the current price at the time the goods are sold, and then to make restitution afterwards. The effort of some of the societies, especially the Scottish, to show a

[1] Webb, *Consumers' Co-operative Movement*, pp. 116-117.

rge dividend by charging prices even somewhat above those enerally prevailing, is to be regarded as a form of self-eception, harmless enough unless it tends to discourage new iembers from the poorer grades who cannot afford it.[1] Since conomy rather than mere comfort or convenience is assumed o be the object of the society, it is considered legitimate to urtail if not to eliminate some of the services performed by ther traders. The goods handled are, as stated above, ainly staple lines whose demand can be fairly well gaged eforehand and in which the element of style is carefully cir-umscribed. Advertising, which consists so much of an ap-eal to "conspicuous consumption" and of an attempt to sell ne brand instead of another just as good, can thus be largely eglected. For the sake of building up interest in co-opera-on and increasing patronage, exhibits of products and chievements are more relied upon than general advertising. hose who ask for delivery of purchases often have an extra harge to pay. And in line with the idea of cutting costs and voiding risks, the granting of credit is frowned upon wher-ver it cannot be wholly dispensed with.[2]

As a result of such self-service and such economies, the ocieties normally have a surplus above final cost. Again on ne Continent, particularly in Belgium, where co-operation is ost closely allied with socialism, there has been a tendency o keep a considerable portion of these savings in collective orm by using them to build and maintain community cen-ers and for various forms of insurance. But it is a testi-ony to surviving individualism in Great Britain and the nited States, that, aside from the meager sums usually con-ributed to co-operative education and propaganda, the ocieties here prefer that the surplus be redistributed to

[1] Cf. Webb, *op. cit.*, p. 295; Gide, *op. cit.*, chap. v.

[2] Cf. Webb, *op. cit.*, pp. 114-116, 291-294; Redfern, *History of the C. W. S.*, p. 169, 220, 310. Credit is often allowed by local societies up to some proportion of share-capital paid in. Preferably it is left to loan societies. The first traveling salesman went out from the Crumpsall works in 1885; but chief dependence has been placed upon the visits of buyers to the warehouses, upon advertisements in co-operative periodicals, and upon exhibits held at congresses and elsewhere.

member-patrons.[1] The actual rate of "dividend" paid varies, of course, with the society and with circumstances; but in Great Britain it has for many years averaged about 10 per cent, or 2*s* in the pound. Some of the Scottish societies and some in northern England have in times past paid as high as 4 or 5*s* in the pound; but the trend in the whole island is toward a lower price-policy and consequent lower dividends. Many a household has found the lump sum, averaging usually about £4 per year, but amounting exceptionally to as much as £10 or even £20, a very valuable aid in meeting extraordinary expenditures or making a start toward better things.[2]

Few data of any value are available for American societies. About a dozen societies reported net profits on sales of over 8 per cent in the somewhat trying year of 1920; 113 reported an average profit of 3.6 per cent, while forty-two had an average loss of 2.5 per cent.[3] Twenty-three societies affiliated with the Central Exchange of Superior, Wisconsin, have in recent years shown an average net gain of some 5.4 per cent.[4] The cafeterias operated for several years by the Consumers' Co-operative Services, Inc., in New York City, have made an average gain of about 6 per cent annually.[5] Students' co-operatives on the plan of the Harvard Co-operative Society are commonly able to return 8 or 10 per cent on the purchases made by their members. So much depends upon the price-policy as well as the dividend policy that comparisons and generalizations are hazardous.

On the *management* side, co-operation has all the strength and all the weakness of democracy. It has the broad foundation and, in the beginning at least, the blundering self-

[1] Cf. Warbasse, *Co-operative Democracy*, p. 393; Gide, *op. cit.*, p. 58, *et seq.*; Webb, *op. cit.*, pp. 84-87, 300-302; *Co-operation* (New York), November, 1923, p. 183; January, 1924, p. 608. The Franklin Creamery of Minneapolis has devoted part of its surplus to maintain a clinic.

[2] *People's Year Book*, 1925, p. 19; Webb, *op. cit.*, pp. 295-296; Gide, *op. cit.*, pp. 59-65.

[3] United States Bureau of Labor Statistics, *Bulletin* no. 313, pp. 32-35.

[4] *Proceedings of the Fourth Congress of the Co-operative League*, 1924, p. 116.

[5] *Ibid.*, pp. 103-104.

confidence, the free interchange of information and opinion which amounts to a pooling of collective wisdom, and the dangers of indifference and of supposing after a time that the system will run itself. In meeting the officers and many of the employees of British co-operative societies and in observing the proceedings of their congresses, one is constantly impressed with the semi-professional attitude which they take toward their work and problems. They are conscious of being part of a great movement, and are eager that others shall take the same pride and interest in it that they themselves feel. The men at the top are not always Napoleons of finance and they may lack some of that pushing aggressiveness that characterizes the average commercial man; yet by long years of faithful service at small salaries they typify the socialized individual who identifies his own ambitions with the welfare of the group. Old co-operators do not weary of extolling the virtues of William Cooper, Charles Howarth, and other pioneers, of J. T. W. Mitchell, for thirty years chairman of C. W. S., of John Shillito, who followed him in that office, or of William Maxwell (later Sir William), who from 1881 to 1908 was chairman of the Scottish Wholesale.[1] Hero worship and the proper recognition of services rendered have proved immensely useful in keeping alive that fine spirit which has made the movement what it is.

The most hopeful feature of this democratic plan of organization is that it has not proved hard and fast but has shown capacity to adapt itself to changing needs and circumstances. If mistakes are made, as they are sure to be made, co-operators are evidently not above learning from them. The original source of authority, as already indicated, is in the members; but when these have become so numerous as to make mass elections impracticable, a large society, like that in Leeds, has adopted the idea of divisional meetings and of a representative assembly between the electorate and the executive. When the old board of directors, elected at frequent intervals

[1] Cf. Redfern, *History*, pp. 27, 32, 199, 375, *et seq.*, and chap. xix; Flanagan, *Wholesale Co-operation in Scotland*, esp. p. 294; Sonnischen, *Consumers' Co-operation*, pp. 85-87.

from and by the members and receiving small fees for the time devoted to society business, proved unequal to the task, the Royal Arsenal Society of Woolwich developed a smaller full-time, salaried board to manage its affairs.[1] The evolution of store administration has gone in some cases from the general manager as sole buyer, by and with the advice and consent of committees of the directors and, if the stock was large and varied enough, with department heads under him, through the stage of more or less absolute control by department heads themselves, back again to the general manager or salaried president acting as chief executive and co-ordinating force for all departments. Like the British unions, the co-operative societies are coming to appreciate the value of paid officials and experts; and yet, considering the voluntary character of the movement and the different ways in which officials can be made to feel their responsibility, Mr. and Mrs. Webb are unable to detect "many of the evils commonly ascribed to bureaucracy."[2] The amount of inside information divulged to the members in reports and at quarterly meetings is greater than that commonly allowed to the stockholders of a corporation; and the use made of such meetings by pertinacious individuals for questions, complaints, and accusations respecting the quality of the coffee or of the flour or the size of the dividends, or other features of management is generally enough to keep the directors and managers on the alert and ready with explanations. The English C. W. S. has likewise shown the tendency toward differentiation and specialization of function. Its thirty-two full-time, salaried directors elected, usually after considerable competition and canvassing, by the management committees or directors of the affiliated societies, are commonly men who have made their reputations as local executives. Each is assigned to committees in charge of particular lines and often each is given individual responsibility for a certain branch or plant, the manufacturing and commercial phases being kept closely in touch with one another. The honor attached to their

[1] Webb, *op. cit.*, pp. 52-65.

[2] Webb, *op. cit.*, pp. 334-338. Cf. also pp. 29-36.

positions and their relatively permanent tenure help to recompense them for their work and for an income considerably smaller than most of them could draw in ordinary business pursuits.[1]

The management of American co-operative stores is essentially the same as that in Great Britain, except that here the difficulty of attracting and retaining competent and reliable managers is considerably greater. Many societies, such as those of the Finnish immigrants, have been fortunate in having members who have had experience in co-operation abroad. The Co-operative League through its speakers, publications, and conferences has done a good deal to spread abroad knowledge of the proper methods of store-management. In 1918 the Co-operative Central Exchange at Superior, Wisconsin, made the first real attempt at a training school for co-operative executives, the instruction being given in the Finnish language; and this has continued each year since. The first training school in English, lasting for two weeks and with twenty-two students, was held in Minneapolis under the auspices of the Northern States Co-operative League and the Franklin Creamery Association in 1923; and a six weeks' session was again conducted in 1924.[2] Co-operators realize that the right spirit and leadership are quite as important as technique, but that neither alone will succeed.

The phase of co-operative society management which has given rise to most controversy is the relationship to *employees*. One might suppose that, being itself still so largely a working-class movement, understanding and sympathizing with the aspirations of labor, repeatedly endorsed by trade union conventions, and with a large proportion of its employees themselves members of societies and therefore doubly interested in its success, co-operation would have been

[1] The salary of C. W. S. directors was raised in 1920 to £850 per year. (Webb, *op. cit.*, pp. 128, 215.)

[2] "Training for the Service of Co-operators," *Co-operation* (New York), January, 1925, p. 14; June, 1925, pp. 101-104. Cf. Grandahl, "Management Problems of a Co-operative Store," *Co-operation*, June, 1920, pp. 186-189; Kraus, *Co-operative Store Management* (pamphlet) (New York, 1917); United States Bureau of Labor Statistics, *Bulletin* no. 313, pp. 26-27.

entirely immune from labor troubles. All witnesses agree that the wages and other conditions granted by co-operative societies have generally been up to and often above those found in profit-making enterprises of the same sort. And on many occasions, as in the strike of the dockers at Dublin in 1913, in the British railway strike of 1919, and in the strikes of miners and steel workers in the United States, the co-operatives have given valuable material aid to the strikers.[1]

But grounds of misunderstanding have been found; and in Great Britain there has often been the unseemly spectacle of labor as employee fighting labor as consumer. As early as 1882 a Joint Committee of Trade Unionists and Co-operators was set up by the respective congresses of the two movements with the settlement of disputes between societies and their employees as its chief object; and this body with corresponding local committees has had some success, though less in recent years than formerly.[2] The confusion between producers' co-operation and consumers' co-operation was, as we have seen, a cause of trouble; and this became especially significant as the consumers' movement embarked more and more upon production. The effort to introduce profit-sharing as a compromise between the two viewpoints has been referred to.[3] But since there are not any profits in the true sense in co-operation, and since profit-sharing as tried by many of the Scottish societies and by some of the English did not produce satisfactory results, and was besides regarded everywhere as an obstacle to unionism, this agitation has been largely abandoned. The situation, however, has in later years been complicated by the formation and the conduct of a separate union of co-operative employees. This body had its beginnings in 1891, assumed national scope about 1895, and down to about 1911 contented itself principally with peaceful agitation at co-operative congresses and quarterly

[1] Webb, *op. cit.*, p. 275, *et seq.;* Warbasse, *op. cit.*, pp. 295-298.

[2] Webb, *op. cit.*, pp. 190-191, 229-230. Dissatisfaction with this machinery prompted the Co-operative Congress of 1925 to seek a new method, and this was one of the most difficult questions before the gathering. (*Labour Magazine* (London), June, 1925, p. 94; July, 1925, p. 143.)

[3] *Supra*, p. 566.

meetings for better working conditions—a program in which it was aided and abetted by many of the rank and file of the movement and particularly by the Women's Co-operative Guild. The executives of the local societies and of the C. W. S. were prevailed upon to make some concessions as to minimum wages for both men and women employees; and many of the societies which had arbitrarily restricted the right of employees to participate in meetings or to be elected to management committees have removed these restrictions and permitted much freer expression to employee claims and opinions. But the Amalgamated Union of Co-operative Employees was not satisfied with this, and after 1912 began to use more aggressive tactics to compel hard-headed executives to grant higher wages and shorter hours, quite regardless of the low rates and long hours usually prevailing in mercantile employments. Also, partly under the inspiration of the guild socialist idea, the union has asked for an assured direct voice in management.[1]

The executives, on their side, have felt compelled to consult consumers' interests and to seek the maintenance of reasonable prices and the customary rates of dividend. They realize that they are living in a world of sin and greed, and that, in order to survive in competition with private dealers and manufacturers who do not object if part of their profit comes from the exploitation of labor, they must put some restraint upon their benevolent impulses. They have objected to being compelled to deal with a union that does not also include the employees of their chief competitors, and make the same demands upon these as upon the consumers' societies. And the Trades Union Congress in 1915 so far agreed with them that it practically read the A. U. C. E. out of its membership. The fusion of this union with another to form the National Union of Distributive and Allied Workers in 1921, and subsequent efforts to organize or to amalgamate with existing organizations of workers in this field, have

[1] Webb, *Consumers' Co-operative Movement,* chap. iii; Redfern, *History,* pp. 182, *et seq.,* 348, *et seq.;* Woolf, L. S., *Co-operation and the Future of Industry* (London, 1919), chap. iv.

remedied some of its defects of structure and secured its re-admission to Congress, so that when this new body becomes as large and inclusive as its name, there would seem to be no reason why the co-operative societies should not bargain with it. Co-operative sentiment generally, however, does not favor any step that will undermine consumer control. It is willing to improve and humanize the wage-system but not to abolish it. Let the employees exercise what influence they can through the appointed channels, and then let them be content with their wages and with the gains which they share as members.

5. CRITICISM AND RELATIONSHIPS

Criticisms of co-operation have consisted not so much of outright condemnation as of doubts and questionings regarding the completeness of the remedy which it offers, and suggestions as to how its structure and methods could be improved. The opposition of private dealers and manufacturers who have found their market slipping away from them has not, for obvious reasons, taken the form of a popular appeal, but rather that of hidden pressure and unfair methods of competition. Some conservative critics, including a few able economists who exalt the importance of capital and enterprise in modern business, rest content with denying that co-operation will ever have the resources or the ingenuity to supersede the capitalistic system, and with arguing that there is no real need that it should.[1] Others who are impatient with the slowness and moderation of the movement in the face of industrial evils admit that it is good so far as it goes, but declare that it does not go far enough. The economies which co-operation effects may make the condition of the people more tolerable and may educate them for better things; but, in the view of these radicals, they are not sufficient in themselves to throw off the grievous heritage of oppression and inequality from which humanity suffers. Their own particular "isms" are still necessary to complete

[1] Cf., for example, Carver, Prof. T. N., "Why Co-operation Is Not Enough," *Co-operation* (New York), August, 1925, pp. 146-147.

the job. In general, however, the attitude toward co-operation is indulgent if not actually friendly. Any hardships which the advance of the movement may bring to existing enterprises are set down as nothing more serious than the pains of progress. It involves no confiscation of private property and violates no generally accepted economic laws.

In fact, the advocates of co-operation have forestalled much of the criticism both of conservatives and of radicals by calling attention to its peaceful and voluntary character, and by admitting that it will not for a long interval, at any rate, presume to cover the entire field of commerce and industry. This seems to the conservatives a commendable modesty; and leaves the radicals to their own devices in the remainder of the territory. Professor Gide, the great French exponent, suggests a division of labor between co-operative stores and the ordinary trader, by which the former will supply "requirements which are of a general, homogeneous, and permanent nature" (staple goods), while the trader undertakes to supply those "of an individual, temporary, and fanciful character."[1] He sees also that even when consumers' societies have come to embrace the whole population and to supply it with all articles of household consumption, produced in their own factories, there will still remain large groups of workers and large undertakings outside—government service, the railways, the merchant marine, and many "artistic and luxury industries which it is hardly possible, or even desirable, to bring into the co-operative form." He thinks also that such societies have not proved very successful in the sphere of agriculture, and that this may well remain open for individual enterprise or producers' associations.[2]

Dr. Warbasse, the leading American writer on co-operation, is even more emphatic:

> Co-operation would not destroy private business. If co-operation is more effective and serves the people better than profit-business, then the latter will melt away. But I am persuaded that the actual existence of a measure of profit-business by the side of

[1] Gide, *Consumers' Co-operative Societies*, p. 154.
[2] *Ibid.*, pp. 188, 199.

co-operation is desirable as a challenge to keep the co-operative movement up to its best.[1]

And again:

> I should never hope to see the consumers organized and in control of industry so completely as to inhibit and discourage free action on the part of the individual producer. . . . The individual should be given every encouragement to produce things that will compel the organized society either to follow his example, to employ him as an expert, to buy his product, or to subsidize him as its technician or artist.[2]

This means that the field of co-operative endeavor will remain primarily that of well-established goods and services used by the mass of the people, and of the seasoned industries which supply them, whereas private enterprise will continue to be depended upon chiefly for those helpful variations and inventions which make for progress. Risk-taking, aside from that form which can be put upon the basis of insurance, will persist mainly as a private function; and that stagnation which so many fear as the result of collective control, whether governmental or co-operative, will be avoided.

Yet it must not be supposed that co-operators are too ready to confess their own incompetence and limitations. That would be inconsistent with the ideals which they cherish. Their success and demonstrated ability to survive in competition with profit-making businesses give them confidence for renewed efforts. If there have been failures in plenty, they are probably no more numerous—perhaps less so—than the failures of individual and corporate enterprises, especially in the retail field. If there have not been so many overtopping and outstanding individual leaders in the movement, there has been the compensating advantage of group consciousness and the spirit of mutual aid. If it is true, as Le Bon and other students of pathological crowd psychology tell us, that a mob often descends to depths of depravity and cruelty that most if not all of its individual members would shrink from; it is also true that a group of congenial

[1] Warbasse, *Co-operative Democracy*, p. 136.
[2] *Ibid.*, pp. 370-371.

persons, animated by a worthy and noble purpose, can attain to heights which no uninspired and unassisted individual could reach. Co-operation, it is claimed, offers incentives to effort and to service which are stronger and more dependable than those of the profit-making system. While retaining a large element of practical self-interest, it modifies it and makes it conform to the interests of the group.

The pride which members of co-operative societies and even employees show in their accomplishments is itself an evidence of the truth of this claim. Imperfections there are, of course, but they are nearly all remediable. There are, even in Great Britain, great areas where the movement has not obtained a foothold—"co-operative deserts," Mr. and Mrs. Webb call them—and large classes in every community which are not within the fold. But it is believed that more attention to education and organization, both by federal and local bodies, could largely remedy this deficiency.[1] The indifference and frequent disloyalty of members is very distressing. The proportion of expenditures made in the "co-op." is often pitifully small—$180 per member on the average in Great Britain in 1923 and only about $220 in the best years on record.[2] But this is not looked upon, either, as being hopeless; it is only shortsighted. The overlapping and the rivalry of societies are already being slowly remedied by amalgamation.[3] A hint has been taken from the chain stores, in establishing numerous branches and carrying the shop to the consumer.[4]

Nor is it believed that management either of stores or of manufacturing plants has been uniformly sleepy and unprogressive. Reference has already been made to window-dressing and to the variety of stock carried in the stores and at the wholesale depots. The somewhat too strong tendency to give managers an assured tenure is at least partially offset by the extreme caution and careful inquiry that attends

[1] Webb, *op. cit.*, p. 311, *et seq.*
[2] *People's Year Book*, 1925, p. 19.
[3] Webb, *op. cit.*, p. 69, *et seq.*
[4] *Ibid.*, pp. 21-22; Gide, *op. cit.*, p. 218.

their selection in the first place.[1] The same care and shrewdness, with consultation of experts, seems to have been exercised by the directors of the C. W. S. in locating and constructing their manufacturing establishments.[2] The Wholesale Society was the first British manufacturer to introduce full sets of American shoe-machinery; and one of the first to use electric power for running machines in printing and flour-milling.[3] It was either lucky or far-sighted in not going extensively into the milling business until it could avail itself of the improved methods and machinery that transformed the industry about 1880.[4] It now attempts to keep pace with newer methods in technology and management by maintaining a research department where specialists in various lines make tests and elaborate new schemes; and this is probably destined to much greater development.[5] Not the least of the services which co-operation has rendered to its participants has been in the enlargement of their vision and the acquaintance it has given so many of them with economic affairs.

The benefits which the movement has brought and is capable of bringing to the consumer need only to be recalled to be appreciated. The profits of middlemen are, it is true, often exaggerated. The high prices which they charge and the wide margin—from 20 to 50 per cent of the selling price—which often exists between what producers get and what consumers pay are much more largely due to excessive costs of operation—inefficiency, duplication of plant and effort, and the wastes of competition generally—than to inordinate gains. For that reason it is a real advantage to have more and more of the business concentrated under a single management, provided this in turn can be kept responsive to the tastes and the interests of the patrons. Only the co-operative store seems capable of accomplishing this fully.

To many persons, however, the guarantee of quality is even more important than the reduction of price—what may

[1] Cf. Webb, *op. cit.*, pp. 33-34.
[2] *Ibid.*, p. 106; Redfern, *History*, chaps. xviii, xxi.
[3] Redfern, *op. cit.*, pp. 190-191, 285-286.
[4] *Ibid.*, pp. 226-227.
[5] Cf. Webb, *op. cit.*, pp. 131, 370-371.

be called "real" price or value. Our complex, roundabout system of production and sale has in many ways outgrown the intelligence of the average buyer, or, at any rate, the time which he or she can devote to the art of buying. So much of the process is necessarily remote and hidden and the chances for "smokeless sin" are so numerous and so difficult of speedy detection—"shoddy" cloth, artificial silk, "Hudson seal" furs, unsanitary restaurants and meat markets, mountain goat sold for spring lamb, chemically compounded "crushed fruit," diluted fertilizers, to mention but a few instances noted in a single month—that it would be a relief, indeed, if we could be assured that the greedy hand of the profit-maker had not touched a given product from the raw material until its final sale. The consumers as the only all-inclusive group, much more free than the government from sinister capitalistic influences, while at the same time more adaptable and elastic, can organize and bring this to pass if they will.

The last word has undoubtedly not been said in the ancient conflict, so many times referred to, between "producers," in the sense of workers, and consumers. Plenty of evidence has been given for the judgment that the attempt to reorganize industry through self-governing workshops will lead nowhere. Considered in the abstract, there might be little question but that the consumers' societies, whose members in Great Britain to-day outnumber their employees by nearly thirty to one, should "rule the roost." As the all-inclusive "class" already referred to, and the organizers of the new system, they should certainly have dominant influence. But particular groups—minorities with special interests—must still have an opportunity to be heard.

The record of co-operators in the treatment of employees may have been fairly clear and creditable thus far. It is possible to conceive, however, that the fear that consumers are being exploited, and the desire to save and show large dividends, might become almost as much of an obsession and a cause for the exploitation of labor as the profit-making motive itself. If the co-operative societies expand and take in other

non-wage-earning groups, they might become less sympathetic toward labor and less ready to play the rôle of model employer. The government itself, however democratically controlled, has not always automatically granted its servants favorable conditions. Even if the employees of a co-operative society are members, they might still lose much more as wage-earners than they would gain from a reduced labor-cost in the goods they bought. In a co-operative régime therefore, as elsewhere, the right of organization must remain and a chance to present grievances and to bargain collectively. Co-operation does not displace unionism, because it retains the wage-system.

The relationship of co-operation to the state and to politics is a more debatable point. From the beginning it has, like unionism, been compelled to overcome legal handicaps to its organization and methods; and there are still several states on this side which oblige co-operative societies to incorporate, if at all, under the regular corporation laws.[1] The provocations which led the British societies to form a Co-operative Party in 1918-19 have been listed above.[2] To many adherents and sympathizers both there and here, the step seems a hazardous one. There was, to be sure, need for the exercise of political influence in order to enlighten the authorities as to the true nature of the movement and of its "profits"; but the issues were scarcely of that positive class character which calls for separate political organization. Particularly with the aid of the Labor Party, which was perhaps slow, but certainly not indifferent to the claims of the societies, the non-partisan method might have been used, and the division and animosity which have resulted from independent action might have been avoided.

Judging from this step and from the whole discussion of the relation of co-operation to the state, one cannot escape the conviction that many co-operators and their friends have themselves lost faith in the voluntary, non-political method of conquering the world of trade and industry. The *rapproche-*

[1] United States Bureau of Labor Statistics, *Bulletin* no. 313, pp. 83-86.
[2] *Supra*, p. 563.

ment which has taken place between the socialists and the co-operators makes it difficult always to distinguish in which camp any writer belongs. Dr. Warbasse, who retains much of the old belief that co-operation can cover the whole field, is yet much afraid that socialism will get there first and spoil the game for the co-operators.[1]

Mr. and Mrs. Webb speak of the assumption by co-operators that the "co-operative commonwealth" can be ushered in by them alone as "an infantile disorder of thought," and as "extreme self-complacency." For all of their praise of what co-operation has done in Great Britain, they do not see that it is solving the problem of the concentration of wealth, that it secures a national minimum, or provides insurance against unemployment. Like Professor Gide, they minimize the difference between such voluntary organizations as the co-operative societies and those "obligatory associations of the inhabitants within a given geographical area, organized in the various forms of local government"; and they find certain services, such as the post-office, the railways and tramways, gas and electric lighting, education, the water-supply, and roads, better conducted by the consumers as members of a political unit than as members of a co-operative society. In general, they leave to co-operation the more elastic sphere of personal and household requisites, and look to the government for the financing and operation of public service industries.[2]

Leonard Woolf believes that the co-operative movement will eventually be capable of application to the whole industrial field; but acknowledging the handicap from which it now suffers—composed chiefly of "the economically weak elements in society" and "competing against the capitalist system on ground chosen by the capitalist whom it found already in possession"—he would "adopt every possible method, including legislation, of placing the whole of industry in the hands of the community of consumers organized on the co-operative system." [3]

[1] Warbasse, *Co-operative Democracy,* pp. 13, 129-130, 136-137, 142-148.

[2] Webb, *Consumers' Co-operative Movement,* pp. 318-321, 378-382, 396, *et seq.;* Gide, *op. cit.,* p. 189.

[3] Woolf, L. S., *Socialism and Co-operation* (London, 1921), pp. 101-102.

The railways, trams, and mines would be "nationalized" or "municipalized," but they would be handed over to the control not of the political, parliamentary, or municipal organization, but to a co-operative national or municipal organization.[1]

Thus in the realm of dreams and ideals, co-operation shades off into what in a later chapter we call "consumers' socialism." But in the world that now is, where so much is corrupt and sordid, and where even the most optimistic of us are sometimes worried about the future of the race and of civilization, it is a comfort to know that such a movement exists and that it is growing.

[1] *Ibid.*, p. 104.

CHAPTER XXIII

SOCIALISM

1. "QUINTESSENCE"

SOCIALISM is a doctrine and a movement to which no one can be wholly indifferent. He that is not for it is likely to be against it. To many of its adherents it has come to stand practically in the place of a religion, absorbing all their spiritual impulses, forming the basis of their hopes for the future, and inspiring them to the sacrifice of effort and money and all prospects of worldly success—even of liberty and life itself. And its opponents have usually seen to it that there is no lack of persecution and of chances for martyrdom. The revolutionary cries of a few radicals have never failed to excite terror in the ranks of propertied conservatives, and to make them regret that there is any such thing as freedom of speech and democratic institutions. A United States judge in the state of Washington some years ago denied a man the right to become naturalized because he confessed to being a socialist.[1] Most of the leading cases involving academic freedom in the past quarter of a century have related to the socialistic leanings of the victims. During the War, intolerance reached such a high pitch that any expression of the traditional socialist antagonism toward war in general and any criticism of the government were immediately construed as of "enemy origin," and prosecuted accordingly.[2]

[1] New York *Evening Post*, May 15, 1912 (ed.); *Literary Digest*, May 25, 1912, pp. 1083-1084.

[2] Notable instances were the trial of Eugene V. Debs, Rose Pastor Stokes, Victor Berger, Scott Nearing, and other leaders of the Socialist Party, and the sentencing of Debs and others to long prison terms; the denial of second-class mailing privileges to the New York *Call* and Milwaukee *Leader;* the refusal

Both in Great Britain and America the advance of socialism has several times prompted the old parties to forget their supposed differences and to unite against the common foe. This has occurred in the Milwaukee city elections since 1912, in Schenectady against Mayor Lunn in 1913, and, under the leadership of the "National Security League," in several congressional districts in New York City since 1918.[1] Such fusion had a considerable share in the Conservative victory in Great Britain in 1924, and accounts for the lightning change made by the Hon. Winston Churchill from the Liberal to the Conservative camp.

The misunderstanding and wilful misrepresentation to which socialism has been subjected are, in fact, almost enough to drive any fair-minded person, whatever his own convictions, to its defense. Many of those who fulminate against it and who profess to understand it in all its direful possibilities, have obviously read to confute rather than to weigh and consider. As if the sound and legitimate objections that can be made to its proposals might not prove sufficient to squelch it, it has been widely and persistently proclaimed as the enemy of the home, of the church, and of all that is good. It has been carelessly lumped together with anarchism and communism and bolshevism, and everything else that is foreign and distasteful. It has in one breath been characterized as too remote and idealistic; and in the next as being too revolutionary and materialistic. The differences between individual socialists or schools of socialists as to method, or the absence of any detailed methods at all, have been made ground for much ridicule. And the whole movement has often been held responsible for the vagaries and personal shortcomings of single exponents.[2]

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of Congress in 1918 and again in 1919 to seat Victor Berger; the suspension of five socialist assemblymen in New York in January, 1920; and the so-called Lusk Educational Bills passed by the New York Legislature in 1921 (repealed in 1923).

[1] *American Labor Year Book, 1916,* p. 120; *1917-18,* pp. 344-347; New York *Times,* May 31, 1920, p. 2; July 26, 1920, p. 3; July 28, 1920, p. 12.

[2] Cf. Ex-President Roosevelt, "Where We Cannot Work With the Socialists," *Outlook,* vol. xc (1909), pp. 619-623 (reply by Morris Hillquit, New York *Call,* April 9, 1909); Hughan, *Facts of Socialism* (New York, 1913), chap. iv

The first step, therefore, toward any scientific treatment of socialism must be to withdraw it from this heated atmosphere, and to find out what it is and what it is not. We may expect that only as the monster is confronted fairly and squarely, clad in his most impenetrable armor and equipped with his most effective weapons, and can then be successfully overcome, will he be likely to give up the struggle.

No reliance can, of course, be placed in the use of names, for these are often altered to escape the unfavorable associations that may have gathered about some earlier term. The word "socialist" was evidently in use by Robert Owen and his followers as early as 1824, although its first appearance in print was probably in the *Co-operative Magazine* in 1827.[1] When Marx and Engels issued their famous *Manifesto* in 1848, the term "communist" was preferred in order to distinguish the new departure from its predecessors, although the Owenites were much more truly communists in that narrower sense which implies having all things in common.[2] In a later period when the movement came to take on a more purely political cast with organized parties, the term "socialist" or "social democrat" has been generally used in all countries. "Communist," on the other hand, as represented by the Communist Party and the Communist Labor Party which separated themselves out from the Socialist Party in the United States in 1919, and which were merged in the Workers' Party in 1923, and by a band of the same ilk in Great Britain, has been appropriated chiefly by those who believe in more violent, syndicalistic methods, and who are affiliated with the Moscow International.[3] Doubtless, with a view to making a somewhat wider appeal and to demon-

("Some Misconceptions of Socialism"). Labor Party candidates in England have repeatedly complained of the "dirty" tactics and whispered insinuations resorted to by Tory campaigners. (Cf. Hartshorn, Vernon, in *Labour Leader*, April 8, 1910, p. 212; *Labour Magazine* (London), November, 1924, pp. 312-313.)

[1] Cf. Mills, H. E., in *American Economic Review*, vol. ii (1912), p. 702; Beer, *History of British Socialism*, vol. i, p. 187.

[2] Cf. Beer, *op. cit.*, vol. ii, p. 164; Kirkup, *History of Socialism* (5th ed., London, 1913), p. 173.

[3] Cf. Laidler, *Socialism in Thought and Action* (New York, 1920), pp. 154 n., 466-469; *American Labor Year Book, 1923-24*, p. 159.

strate their indigenous character, British socialist organizations, except for the orthodox Marxian "Social Democratic Federation" formed in 1881 (in 1908 changed to "Social Democratic Party" and in 1911 to "British Socialist Party"), have used still other designations—as in the Fabian Society founded in 1884 by a group of scholarly and literary men not at all in a hurry; in the Independent Labor Party, established under Keir Hardie's leadership in 1893; and in the Labor Party itself (first known as the Labor Representation Committee), which we have seen to be essentially socialistic in its leadership and declarations.[1]

Nor does the essence of socialism lie in the indictment which it brings against capitalism, and which occupies such a large share of socialist literature. These grievances, as has been shown, are but the common background or basis of all branches of the labor movement, and are freely admitted by a large number who nevertheless fail to draw the socialist conclusion. The socialists are only a bit more rabid than the rest.

Socialism cannot be said to stand or fall with Marxism or any other particular school of economics or philosophy. Marx did make a great contribution to the cause by giving it the prestige of learning, and by his scathing dissection of British industrial conditions. But his analysis, like the wage-theories of Adam Smith and Ricardo upon which he founded it, has been proved mostly wrong, and, through misuse, has become a handicap rather than a help. Several of the ablest critics of his theories of interest and profits, of increasing misery and the concentration of wealth, and of the class struggle, are themselves socialists, or at least not unsympathetic toward the movement.[2] Particularly in Great Britain

[1] Cf. Kirkup, *op cit.*, chap. xvi; *supra*, p. 515.

[2] Cf. Bernstein, *Evolutionary Socialism* (translated by Edith Harvey) (New York, 1909); Tugan-Baranowsky, *Modern Socialism* (translated by M. I. Redmount) (London, 1910); Simkhovitch, *Marxism vs. Socialism* (New York, 1913); Veblen, "The Socialist Economics of Karl Marx and His Followers," given in his *Place of Science in Modern Civilization* (New York, 1919), pp. 409-456. Probably the best refutations by non-socialists are those of Le Rossignol (*Orthodox Socialism*, New York, 1907) and Skelton (*Socialism: A Critical Analysis*, Boston, 1911).

there are many socialist leaders who are well schooled in the economics of Jevons and Marshall, and yet who do not see why, in the face of the facts and testimony they see all about them, this should alter or destroy their faith in the soundness and practicability of their plan. To them it seems that enough of inequality and injustice remains. And both there and in America, as shown most notably, perhaps, in the reconstruction program, drafted, it is generally supposed, by Sidney Webb, and adopted by the British Labor Party in 1918, there is a healthy tendency to get free from the old phrases and shibboleths, and to use a language which the most erudite cannot criticize but which the "man in the street" can understand.[1]

Minority movements, it is true, and especially those which for any finite period seem hopelessly in the minority, are apt to attract some eccentric persons and constantly to lose a good many of their saner and less radical elements. If some of the European socialists became convinced that the church was one of the bulwarks of capitalistic exploitation, and opposed it accordingly, it should not be assumed that socialism is a first cousin of atheism. Indeed, as we shall see, there are in every country groups of people most agreeable to meet who believe that it is only through socialism that Christianity can ever be realized in this world. Likewise, just because a certain socialist professor in a Western college was found to be somewhat irregular in his conceptions of the marriage tie, it should not be forgotten that the great mass of socialists are good husbands and fathers, and that the sole design which they profess to have upon the home is to remove some of the sordid influences that tend to disrupt it, and to make it nobler and better.

Finally, in this negative characterization, it is probably a mistake to attempt to hold the socialists to any definite methods, either for bringing their system to pass or for carrying it on. Some of the various proposals will be dis-

[1] Cf. *Labor and the New Social Order* (pamphlet); comment of Morris Hillquit on Socialist Party platform in 1920, New York *Times*, May 11, 1920, p. 3.

cussed in a later section. It would be highly satisfying to the logically trained mind to be able to say that socialism, even though inspired by economic conditions, is a purely political program, to be brought about through the gradual conversion of a majority of the citizens, and to be established in thoroughly constitutional ways. Since capitalism is deeply imbedded in law and government, and since the purely economic branches of the labor movement—unionism and co-operation—valuable as they are, have their limitations and are not considered by many entirely adequate to meet the need, it is apparent that, whatever may be the degree of distrust which certain extremists have toward politics and parliamentarism, a very large use must be made of essentially political methods before the old system can be dislodged and the new one inaugurated. To change the names of the governmental organs or the distribution of authority among them is not to change their function or real character. And the dominant, albeit the least noisy, groups of socialists in these two great democratic countries are frankly political, and expect to accomplish their ends through orderly channels. The term "state socialism," to be sure, is now less welcome than formerly, because it has not always implied democratic control, and because, in any case, it carries a suggestion of centralization and bureaucracy that is oppressive to many. New administrative organs may be developed and the voluntary organizations of labor and of consumers may be encouraged and assigned an important rôle in the new system; but the state is retained as the chief co-ordinating force.

Yet the earlier Owenite school of socialists were distinctly non-political—Dr. Beer calls them "co-operative socialists." [1] And there are in both Great Britain and the United States the factions of "communists" and "syndicalists" already mentioned (believed to be composed chiefly of foreigners unschooled in democratic institutions, or at least largely under foreign influence), who repudiate the gentler and more peaceful ways of politics, and seem to think that, as a class-

[1] *Op cit.*, vol. i, p. 200.

conscious minority certain of what they want, they can sometime use the economic weapon of the general strike or of "sabotage" to compel the surrender of both the government and the present machinery of production into their hands. Then there are the "guild socialists," who are a kind of cross between the political and the syndicalist schools, and believe in a double organization—the national guilds, representing the producers or workers, and the municipal councils and Parliament, safeguarding the interests of consumers. Is socialism large enough to mother all of this brood?

The central feature of the socialist program is collective or social ownership and management of production. Private ownership of the means of production and the consequences which they think proceed from it are what they mainly criticize in the present system; and it is to a change of ownership with the accompanying change in control and purpose that they look for redress. All else is incidental. The statement given by Dr. Schäffle in the book which suggested the title of this section has been generally accepted by socialists as a fair definition of their aim:

> To replace the system of private capital (*i.e.*, the speculative method of production, regulated on behalf of society only by free competition of private enterprises) by a system of collective capital, that is, by a method of production which would introduce a unified (social or "collective") organization of national labor, on the basis of *collective* or common *ownership* of the *means of production* by all the members of the society.[1]

Socialist parties have a fashion of including in their platforms a list of palliatives or immediate demands, similar to those discussed in the chapters on Labor Politics and having, for the most part, no strictly socialistic content. The opinions of different factions and individuals differ as to just what wealth or property has sufficient social bearing to be brought under public ownership. They differ widely as to how rapidly the great change can be accomplished. There

[1] Schäffle, *Quintessence of Socialism* (trans.) (London, 1892), pp. 3-4. Cf. Kirkup, *History*, p. 12; Snowden, *Socialism and Syndicalism* (London), pp. 107-108.

is much chance for dispute, also, as to the size and inclusiveness of the owning and managing group necessary to fulfil the requirements of Dr. Schäffle's phrase: "all the members of the society"—an opportunity to question whether a union or guild of workers alone, or even the entire group of the consumers of a particular commodity, would be broad enough to be truly "social" and to safeguard all interests. But all agree that collective ownership, in some degree and in some form, is the touchstone of socialism.

2. EVOLUTION AND ELEMENTS

The history of socialism is, of course, chiefly the history of socialist thought and socialist organizations. It has to its credit thus far little in the way of direct achievement, although under other names and colors a large amount of collectivism has been incorporated into our governmental system. The thinking has, as usual, been done mainly by a few gifted individuals; and the great mass of socialist literature consists of restatements, controversy, and propaganda. Much of it, as with Marx, has been critical rather than constructive, eager to present motives, and to persuade the people that a revolutionary change is justifiable and necessary. If we complain that business unionism and the co-operative movement have become humdrum and are lacking in emotional content or oratorical flights, the same cannot be said of the socialists. They see visions and dream dreams. They shout; they also sing. Ramsay MacDonald is glad to have their critics call them "poets." [1]

An analysis of socialist biographies shows that the believers come from all ranks and walks in life: Robert Owen (1771-1858), a great capitalist of his day; William Thompson (1783 (?)-1833), Irish landlord; Frederick Engels (1820-95), joint author of the *Communist Manifesto* and literary executor of Marx, a cotton manufacturer; William Morris (1834-96), man of wealth, artist, and poet; George Bernard Shaw, successful dramatist; the present Countess of Warwick;

[1] Cf. Bell, Edward Price, *Ramsay MacDonald Socialism* (interview reprinted from the *Chicago Daily News*, 1924), p. 7.

a daughter of the late Viscount Curzon and granddaughter of Levi Leiter of Chicago; J. G. Phelps-Stokes, Gaylord Wilshire, and formerly, at least, Robert Hunter, the American "millionaire socialists"—to mention but a few of the most unexpected. A large proportion of the leaders in Great Britain have had a university education or its equivalent; and the professions are well represented.[1]

Probably even less than consumers' co-operation is socialism, therefore, purely a wage-earners' movement or one appealing to but a single class. Historically, however, and up to the present time, the wage-earning constituency has been the one chiefly cultivated. Marx and Engels, although they were Germans and wrote in the German language, based their doctrines upon the knowledge of labor conditions which they obtained during their long residence in England. Marx was a voracious consumer of factory commission reports in the British Museum. Accepting, as already stated, with undue alacrity, the labor theory of value propounded as a "starter" by Adam Smith and Ricardo, and following, more closely perhaps than he was willing to admit, the contention of his able British predecessors—Thompson, Gray, Hodgskin, and Bray—that the whole product belonged to labor, he arrived rather easily at the "surplus-value" theory, that the wage-earner was being grievously exploited, and that his position, as capitalism advanced, was destined to become worse rather than better.[2] Combining this faulty economics with the evolutionary theory of science and philosophy which Herbert Spencer and others were at the time expanding and making so popular (the only basis for the claim of the Marxians to the term "scientific" as contrasted with the "Utopians"), Marx enunciated the economic interpretation of history, that social

[1] Cf. Bliss, W. D. P., *Encyclopedia of Social Reform* (New York, 1908), *passim; Fabian Biographical Series* (London); Kirkup, *History*, esp. chap. xiv, etc.

[2] Cf. Foxwell in introduction to Menger, *Right to the Whole Product of Labour* (trans.) (London, 1899); Lowenthal, Esther, *The Ricardian Socialists* (*Columbia University Studies*, vol. xlvi (1911)); Beer, *op. cit.*, vol. i, pp. 188-270; Marx, *Capital*, part ii, chap. vi and *passim*. Marx refers several times to Hodgskin and once at least to Thompson.

and political institutions and the events of history are largely shaped and determined by economic forces and conditions. Out of this, in turn (and this is the point of the present discussion), came the doctrine of the class struggle: That wealth and the control of industry are becoming more and more concentrated in the hands of a few, that the working-class is constantly growing in numbers and in the consciousness of its abject status under capitalism, and that the logical outcome is to be revolt and "the expropriation of the expropriators."

Marxian socialism is thus a frank appeal to the self-interest or group-interest of the workers; and their united strength is looked to as the moving force that, when the time is ripe, shall redeem society from the outgrown shell of capitalism and urge it on to the next stage of development. The evolution is thus to be a psychological one as well as economic, the one running parallel to the other. And even though Marx's particular explanation of the way in which the capitalist employer is able to "put it over" on the workers has proved defective and is largely abandoned, other exploitation theories have arisen to take its place and to perpetuate class bitterness and the desire for change. Henry George's *Progress and Poverty* and his lectures are given credit for reawakening thought in Great Britain, not only on the land question which he emphasized, but upon all social questions in the eighties.[1] He spoke as a workingman to workingmen. To the Fabians and other British socialists the mere fact of the concentration of wealth and its effect in perpetuating class rule and class rivalry offer sufficient reason why the non-possessing class should join the movement. The guild socialist group, which has influenced British socialist thought so markedly in the past fifteen years, although its leaders—Mr. Penty, Mr. Orage, S. G. Hobson, and G. D. H. Cole—are more strictly of the "intellectual" type, are none the less advocates *par excellence* of "producers' "

[1] Cf. Kirkup, *op. cit.*, p. 369; Pease, *History of the Fabian Society* (New York, 1916), pp. 19-21; Beer, *op. cit.*, vol. ii, pp. 241-245.

socialism and address themselves to working-class organizations.[1]

Exploitation, however, even as it affects the wage-earners, was quickly seen not to be merely a matter of wages or of the inequality of wealth. The revisionists and native-born socialists in both Great Britain and America have broadened their propaganda to include other evils and other groups. And many excellent people, who would quickly repudiate the name of socialists, join with them on particular features of their program. Hence "consumers' " socialism, expressing itself in such varied concrete forms as: (1) the demand for public education (schools and colleges, libraries, museums, government printing and publishing); (2) the protection of public health (water-supply, food control, baths, parks and playgrounds, hospitals, state insurance, cemeteries); (3) agitation against trusts and monopolies, and for the public ownership of all industries that develop monopolistic tendencies; (4) bitter criticism of the wastes of the competitive system and of middlemen's profits (overlapping and duplication, advertising, salesmen, adulteration, price-boosting), and advocacy of public markets, co-operative stores, public milk stations, etc; (5) the conservation of natural resources, now being ruthlessly destroyed by private enterprise without regard to the interests of future generations. The passion which John Ruskin and William Morris had for the preservation of the arts and handicrafts and which, more than anything else, probably prompted Morris to join hands with the socialists, was essentially in the category of consumers' socialism.

All these are matters affecting every member of the community—the workers only somewhat more than the rest because of their relative poverty. They are given an important place in socialist party platforms; and are made much of by practically all present-day writers and speakers on socialism.[2]

[1] Cf. Carpenter, N., *Guild Socialism* (New York, 1922), esp. pp. 81-96.

[2] Cf. Laidler, *Socialism in Thought and Action*, pp. 11-23; MacDonald, *Socialism: Critical and Constructive*, pp. 23, *et seq.*, 74, *et seq.*; Webb, *Constitution*, etc., p. xvii and part ii, chap. i; Glasier, *op cit.*, esp. chap. xxi; Walling, Hughan, and others, *Socialism of To-day* (New York, 1916), pp. 203,

Here again it is contended that modern capitalism is sowing the seeds of its own destruction. It is perfecting the industrial machine through combination and integration, and is teaching its hired servants how to run it efficiently. Yet by charging high prices and pocketing most of the gains itself, it is giving strong provocation to the community to assume control. Socialism like unionism has made most rapid progress in the period of rising prices.

Whether because of or, more often, in spite of the support which organized class-conscious socialists have given it, consumers' socialism has already been extensively tried. In America, to be sure, aside from some traditionally public enterprises like roads and bridges, and the post-office, it has been chiefly confined to those undertakings that are obviously related to education or to the public health. The public convenience and the public purse have been more lightly regarded. In some cases, however, where private enterprise has proved inadequate to meet a pressing need, or where it has been unduly checked by the policy of stringent rate regulation, the government has had to come to the rescue. The Panama Canal, the Alaskan railways and other public utilities, reclamation projects, the hybrid plan followed in constructing New York subways, and perhaps municipal docks and port improvements might be listed here. Railway executives on occasion have been heard to predict that this is what their industry is coming to, unless the government is more liberal with respect to rates and allows greater inducements for investment in railway securities. Particularly in the direction of forestry, the motive of conservation has also given sanction to some public administration in the Western States, although it has been an uphill struggle.

In Great Britain, public ownership in the consumers' interest has gone considerably farther, notably in municipal services, but still not so far as on the Continent and in some

212, 219, and chap. xvi. In his mayoralty campaign in New York City, Norman Thomas, the Socialist Party candidate, emphasized chiefly housing reform, recreation, coal supply, and other similar matters—the special field of municipal socialism. (New York *Times,* September 18, 1925, p. 9; September 28, 1925, p. 6.)

of the British dependencies. Sidney Webb's paragraph about the anti-socialist who, for all that, "walked along the municipal pavement, lit by municipal gas and cleaned by municipal brooms with municipal water, and seeing by the municipal clock in the municipal market that he is too early to meet his children coming from the municipal school," and so on, is almost a classic. The cities of Glasgow, Manchester, and Birmingham are noted for their extensive public undertakings. About 300 cities and towns own their own gas works; and a larger number own their electric lighting systems and their tramways than have left these utilities in private hands.[1] Nationalization of the coal mines in the interests of the consumer as well as those of the miner was the recommendation of the British Coal Industry Commission (Mr. Justice Sankey, Chairman) in 1919. Only thus, it was claimed, could the "anarchy of coal production" be overcome and the economies of unification obtained.[2] The advice was not heeded by the Lloyd George government; and another coal commission had to be appointed by Mr. Baldwin in 1925.

Much of the "war socialism" which had such a great development in all belligerent countries from 1914 to 1918 was of this consumers' type. Professor John A. Hobson is quoted as having said at the time that the War had advanced state socialism by half a century.[3] There was government control of food and fuel, government operation of railroads and other means of transport and communication, government shipbuilding on a grand scale, government housing projects, and government munitions plants. The primary reason, of course, for this sudden entrance of a field previously regarded as forbidden was military necessity—anything to win

[1] Cf. Laidler, *Public Ownership Here and Abroad* (pamphlet) (New York, 1923); Davies, Emil, *The Collectivist State in the Making* (London, 1914), *passim;* Walling and Laidler, *State Socialism* (documents) (New York, 1917), esp. chap. xxix; Laidler, *Canada Shows How to Manage Electrical Power* (leaflet) (New York, 1924).

[2] *Reports and Minutes of Evidence,* vol. i (London, 1919), pp. viii, xiii, xix-xx; second stage, pp. 5-12; Tawney, "The Coal Industry Commission and the Consumer," *Contemporary Review,* vol. cxvi (1919), pp. 144-153.

[3] Cited in Laidler, *Socialism,* p. 3.

the War. Director-General McAdoo put this first in his statement of purpose in taking over the railroads, and the service of the public second.[1] It was believed that the government could co-ordinate railway facilities in a way that probably would not have been legal, even though it were possible, for the companies themselves. But in other key industries it was realized that, with demand running so far ahead of supply, there was too much chance for profiteering both against the consumer and against the government—that in the relatively short period of the war the incentive of private profit could not be relied upon to meet the requirements and to provide its own corrective. Professor Hobson would not, however, be likely to make his statement to-day, because, after the stress was over, there was a severe reaction. The railroads and mines were quickly handed back, the shipyards and the larger portion of the ships have been sold, and Muscle Shoals may yet pass into private hands.

Economic interest, whether that of wage-earners who despair of individual advancement or of securing full redress and equality through unionism, or that of the great mass of consumers who have lost some of their faith in the universal and automatic beneficence of private enterprise, is thus a strong force driving toward socialism. Probably more than nine-tenths of British socialists are wage-earners; and the foreign complexion which American socialism has borne until recently, and still bears in many quarters, is, in part at least, an inevitable consequence of the fact that our wage-earning group is itself largely of foreign birth. Apparently, also, most actual socialistic undertakings have sprung from the demand of the consumer; and his voice, if socialism should ever be generally realized, is destined to be the most influential.

But there is another element in the movement which is a kind of golden thread running through it, relieving it of some of its drabness—a softening, refining influence that accounts

[1] Quoted in Price, Theodore H., "The Government as Railway Manager," *Outlook,* vol. cxix (1918), pp. 551-552. Cf. French, W. F., "A Square Deal for Railroad Control," *Independent,* vol. xcviii (1919), pp. 15-16; recommendations of the Interstate Commerce Commission, New York *Times,* December 6, 1917, p. 1.

for much of the religious fervor already referred to, and for the poetry and the oratory. This is that altruistic, humanitarian impulse which, according to Henry Drummond, springs from "the struggle for the life of others," and which is quickened into flame by a belief in the fatherhood of God and the brotherhood of man. Many of the finest spirits that have been drawn into socialism in the past century, and the men who, although sometimes impractical dreamers, have contributed most to its thought and literature, have come, not because they had any personal grievance against capitalism or capitalists, but because they were socially minded and "loved the brethren." Such were Robert Owen, Saint Simon, and many of the other earlier Utopians. Such were Maurice, Kingsley, Ludlow, and Hughes, who called themselves "Christian Socialists," notwithstanding that they came to center their hopes mainly in co-operation. Such have been a considerable group of Christian ministers in both the United States and Great Britain: Dr. Clifford, Bishop Gore, Bishop Stubbs, W. D. P. Bliss, Alexander Irvine, John D. Long, Charles H. Vail, Henry C. Vedder, and, though not bearing the socialist label, Dr. Josiah Strong and Washington Gladden. Such, finally, are the Fabians and that galaxy of brilliant and devoted scholars, writers, and social workers who, particularly in Great Britain, have compelled the world to listen to socialist teachings, and have given the cult "a local habitation and a name." [1]

John Spargo, once a leading American socialist writer, has declared that:

> Socialist propaganda . . . is shot through with genuine religious passion, vibrant with that which makes the teaching of Jesus sublime. Many a socialist lecture contains more genuine religious sentiment and feeling than the average minister's sermon.[2]

The socialism of the late Keir Hardie, founder of the Independent Labor Party and one of the first socialists to enter Parliament, had much of this spiritual quality. He consid-

[1] Cf. Bliss, *Encyclopedia of Social Reform*, pp. 198-200, 203-205; Hillquit, *History of Socialism in the United States* (New York, 1903), pp. 319-321; Beer, *History*, vol. ii, pp. 180-187, 258; Laidler, *op. cit.*, pp. 156-157.

[2] Spargo, *Marxian Socialism and Religion* (New York, 1915), pp. 172-173.

ered it, if not a religion itself, at least the handmaiden of religion, and entitled to the support of all who pray for the coming of Christ's kingdom upon earth.[1] Indeed, it is of interest here to learn that Mr. Webb finds the germ of organization among the miners of Durham and the North, from whom Keir Hardie sprang, in the religious revival which spread over those districts between 1821 and 1850.[2]

In both countries there has been, since the eighties, a series of church or religious organizations with socialist leanings, and striving to propagate the doctrine among church people. The moderate Church Social Union, started at Oxford in 1889 and imitated in America in 1891, was the best known. A later and somewhat more radical body on this side was the Christian Socialist Fellowship, formed at Louisville, Kentucky, in 1906, and continuing to hold conferences for several years thereafter. It denied any intention of setting up a new type of socialism, declaring rather that the gospel it preached was that of the Socialist Party, of which most of its members were adherents. And the tendency in more recent years seems to have been for all such groups to become merged as a leavening influence in the larger movement.[3]

The growth and the size of *socialist parties* or of the socialist vote are not at all an infallible index of the strength and progress of socialism. Many of the believers, as in unionism, do not take the trouble or wish to undergo the expense of becoming dues-paying members, although dues must in such an organization be the chief source of campaign funds.[4] Many others, doubtless, who particularly in elections where there are no other radical or progressive candidates, vote the

[1] Cf. Hardie, Keir, *From Serfdom to Socialism* (London, 1907), chap. iv; Lowe, *From Pit to Parliament* (London, 1923), esp. pp. 74-76.

[2] Webb, *Story of the Durham Miners, 1662-1921*, pp. 21-25.

[3] Cf. Bliss, *Encyclopedia*, pp. 200, 203-205; New York *Tribune*, May 31, 1908; Spargo, "Christian Socialism in America," *American Journal of Sociology* (Chicago), vol. xv (1909), pp. 16-20; New York *Call*, April 14, 1911 (report of sixth annual convention of Christian Socialist Fellowship).

[4] Only twice in the period 1910-25 did the average annual membership of the Socialist Party of the United States rise above 100,000; and in 1920 when the vote for Debs was nearly a million the membership was only 26,766 (*American Labor Year Book*, 1925, pp. 140-141).

socialist ticket, do so as a protest or because they agree with some one tenet of the socialists—for example, that on war—and not because they have thought it all out and have the collective commonwealth definitely in view. The wide variations that sometimes occur in the poll are often explained in this way and by fluctuations in business and employment. But, in general, the difficulties of maintaining third-party organization, especially in the United States—that unwillingness to "throw away one's vote" which arises, in part, from the lack of deep convictions and the disposition to look upon politics as a sport, and, in part, from an opportunistic desire for something right away—make it probable that the latent power of socialism is much greater than either party membership or the socialist vote would indicate.

In fact, although organized into parties and expecting, for the most part, to accomplish their purpose through political channels, the socialists have not always made good politicians. Their attitude has too often been rather that of the schoolmaster who is so confident of his superior wisdom that he can say to his benighted pupils, "This is the Truth. Take it or leave it!" The "impossibilist" or "no-compromise" stand taken by the older Marxists, represented by Mr. Hyndman and the Social Democratic Federation in Great Britain, and by Daniel De Leon and the Socialist Labor Party in this country, was inspired in part by prophetic zeal and the fear that too much hospitality would result in the bright jewel of truth being dimmed or even lost; but it was likewise due to the failure of these men to understand the temper of the people and of the times, and to their desire to rule alone or not at all. The persistence of these factions, in greatly emaciated condition, it is true, now that their former leaders are dead, and their ability to maintain publications and conduct campaigns, are some of the wonders of socialist history. Both were indiscreet enough, quite early in their stormy careers, to antagonize the trade unions from which they might have drawn their chief support. They criticized the businesslike tactics of the old-line unions, and discounted the services which they rendered to the workingman; and the

Socialist Labor Party even went to the extent in 1895-96 of trying to launch a rival to the American Federation of Labor. This, more than anything else, led to the secession of more moderate elements and those friendly to organized labor, and the formation of the Independent Labor Party in Great Britain in 1893, and of the Social Democratic Party in America in 1898—reorganized as the Socialist Party in 1901. And these bodies, with the aid of the Fabians in Great Britain and of the Intercollegiate Socialist Society—later the League for Industrial Democracy—in America, have been the chief exponents of socialism in their respective countries.[1]

The I. L. P. has admittedly been much more successful, through its participation in the affairs of the Labor Party, in ingratiating itself with and winning support for its cause from the rank and file of labor, than has the Socialist Party in the United States. Although, as already stated, probably 99 per cent of the more than 3,000,000 members of the Labor Party are drawn from the unions, it is notable that the I. L. P., which at the time reported a party membership of only about 30,000, furnished the larger proportion of the 191 Labor members of Parliament in 1924, including the first Labor Prime Minister, Mr. MacDonald himself. Still others came from the less than 2,000 members of the Fabian Society.[2]

The American socialists, on the other hand, have much of the time had the part of the rejected suitor. The recollection of their former unfaithfulness has been constantly brought up against them by Mr. Gompers and other conservative officials of the Federation. The support which many of them, including Mr. Debs, gave, in 1905 and following, to the I. W. W.—another would-be rival—and their

[1] Cf. Beer, *History,* vol. ii, pp. 258-273; Kirkup, *History,* pp. 385, 392; Hillquit, *History,* pp. 213, *et seq.,* 322-346; Stone, N. I., *Attitude of the Socialist toward the Trade Unions* (pamphlet) (New York, 1900)—an account of the formation from above downwards of "the Socialist Trade and Labor Alliance and of its disastrous consequences to the movement.

[2] *Labour Year Book* (London, 1925), pp. 38-40, 190-192; *American Labor Year Book, 1925,* p. 351.

known preference for the industrial as opposed to the craft form of organization, have not served to make their blandishments the more welcome or effective.[1] The pacifist attitude taken by many socialists during the War alienated many of their own members and was distasteful to most outsiders, so that the party was sadly disrupted during the war-period, and has not yet recovered its former strength. In 1924 it saw fit to give its support to the La Follette ticket rather than to put up one of its own, in the hope that a new labor party might issue from the campaign.

But, when all is said, the chief reason for the backwardness of socialism in America is the reason previously given for the absence of a labor party, that American labor is not as yet highly class-conscious, and is less prepared than the Britishers to listen to collectivist proposals.

3. WAYS AND MEANS

The common response to the proposals of the socialists is to declare that they are impracticable. Before joining in the general condemnation, however, it will be only fair to find out, if possible, how some of the leaders expect the new day to be ushered in and its affairs to be administered. Such plans and opinions must remain largely individual, because socialist parties, like other political organizations, have been loath to commit themselves to detailed programs. Their value and representative character must be judged from the reputation which their authors have won in the field of economics and government, and the positions which they occupy in the socialist movement.

Being, as already stated, mainly evolutionists rather than revolutionists in any violent sense, British and American socialists do not feel that they are called upon to see the end from the beginning. The Utopians of the school of Robert Owen, and the Frenchmen—Saint Simon, Charles Fourier,

[1] Cf. Hillquit, Gompers, and Hayes, *Double Edge of Labor's Sword: Discussion and Testimony on Socialism and Trade Unionism before the Commission on Industrial Relations* (pamphlet) (Chicago, 1914), esp. p. 35, *et seq.*; Debs, *Unionism and Socialism* (pamphlet) (Terre Haute, Ind., 1904), esp. pp. 19-20.

and Louis Blanc—who saw no reason why their schemes, at least in miniature, could not be put into effect right away, felt it necessary to be more specific. They tried, therefore, to make their communities, associations, phalansteries, and social workshops seem as idyllic and attractive as possible. But the Ricardian predecessors of Marx, and Marx himself, were pre-eminently analysts and critics. Marx turned aside all inquiries regarding the "promised land" with the remark that he could not be expected to "write the kitchen recipes of the future." He and his followers were so positive that capitalism was digging its own grave, and so confident that it would leave behind it a fully-developed organization, making only a change of control necessary, that they were not careful to write a guide-book for coming generations. And this has remained the customary attitude of most socialist writers.

Some, however, have realized that the concrete, even though it may be partly wrong and may need frequent amendment, is more convincing and reaches more people, than the abstract and mystifying. William Morris in Great Britain and Edward Bellamy in America supplied an earlier generation with this form of literature; and Bellamy's *Looking Backward* (*2000-1887*) was a "best seller" in several different languages, including the Bulgarian. Perhaps even with his anticipation of radio and all the other cultural advantages he portrayed, many readers did not find the offer of a place in his "industrial army" to their liking. That is the penalty of being precise.

Several of the later books expounding socialism profess to combine "practice" with "theory," or use the word "constructive" as well as "critical." In Great Britain, especially, where the growth of the Labor Party has made socialism seem more than a dream of the distant future, there has been quite a crop of more or less elaborate proposals. The reconstruction program of the Labor Party has been referred to in other connections.[1] Ex-Prime Minister MacDonald has not wished to leave the country in any doubt, either as to the capacity of

[1] *Supra*, p. 515.

his party to lead or as to whither it is leading. And Mr. and Mrs. Webb have crowned their scholarship and administrative experience with a suggested plan of organization for the socialist commonwealth.

A logical outgrowth of the belief in social and industrial evolution is a certain patience and moderation, as though "the eternal years of God are hers," and men need not be afraid or in a hurry. This idea of *gradualness* is, of course, characteristic of the Fabians. Thomas Kirkup emphasized it more than thirty years ago when he declared that:

> Socialism is not a new coat to be put on or off at pleasure, but a new principle of social organization, which if it prevail at all, must be wrought into the very framework of living society. Experience alone can prove whether it can become a working conception of society.[1]

It can be brought to pass only over a very long period of time. There is a disposition to wait until the apple is ripe before any attempt is made to pick it. Philip Snowden's anxiety that each step shall have justified itself before another is taken has already been mentioned.[2] Mr. MacDonald considers this the only honest way and the only one consistent with political methods of transformation. He says:

> When the conditions of the various industries and services permit of nationalization, public opinion will have ample opportunity of pronouncing whether its experience justifies the extension of the principle, and whether the extension should be made in the directions proposed.[3]

When a given industry becomes a trust, and all the supposed benefits of private enterprise have played out so far as it is concerned, he thinks the people will not long remain in doubt as between public and private ownership and management.[4]

A corollary of this view is that socialism will stop short of complete socialization. In order to "make the best of both worlds," it is admitted that a large field will still be left to

[1] Kirkup, *Inquiry into Socialism* (London, 1888), p. 141.
[2] *Supra*, p. 516.
[3] MacDonald, *Policy for the Labour Party*, p. 81.
[4] *Ibid.*, p. 82.

private enterprise. Some industries not for a long time and others probably never will be taken over by the community. Mr. and Mrs. Webb's exceptions may be given more specifically:

> It may even be predicted with confidence that there will always be a toleration of unsocialized industries and services—such as the whole realm of individual production in horticulture, peasant agriculture and the artistic handicrafts; the purely personal vocations of the poet and the artist; the prosecution of many minor industries and services that may be most conveniently conducted on an individual basis; possibly the experimental promotion of some new inventions and devices; not to mention the co-operative organization of religious rites and observances.[1]

Correspondingly, Morris Hillquit, leading American speaker and writer on socialism, says that:

> It will probably not be, at least for a long time to come, the exclusive form of industrial organization. There are certain industries dependent on purely personal skill, such as the various arts and crafts, that from their very nature are not susceptible of socialization, and other industries, such as small farming, that will, at least for many years to come, not be proper objects for socialization.[2]

Professor John A. Hobson suggests that the industries socialized should include those which are well seasoned; and that those which are relatively new and experimental might be left to private initiative.[3]

A second main feature of these newer socialist programs is the large use which they propose to make of *existing agencies*. They intend to begin with what they have. There is to be no sharp break between the new and the old; and a minimum of new machinery is to be created. They have been impelled to take this very reasonable course, by their own abhorrence of bureaucracy and regimentation, and by the charge so frequently made by their opponents that these would be the inevitable accompaniments of socialism. By way of introduction to their plan, however, they are quite in the habit of

[1] Webb, *Constitution for the Socialist Commonwealth,* pp. 147-148. Cf., to the same effect, Snowden, *Socialism and Syndicalism,* p. 188.

[2] Hillquit, *Socialism in Theory and Practice* (New York, 1909), p. 113.

[3] Hobson, *Incentives in the New Industrial Order* (London, 1922), p. 74.

pointing out the restraints and the amount of regimentation to which the average man is subject under present economic and social conditions; and Bruce Glasier is unkind enough to insert a list, covering more than a page of his book, of the officials, public and private, who now exercise authority over us.[1] The contribution made by the guild socialists has been particularly in the direction of bringing about devolution in administration and of avoiding the dreary prospect of an all-absorbing, all-powerful state. Indeed, the idea of harnessing the economic organizations of the workers under the new social system is at least as old as Robert Owen, and has been repeatedly proposed in Marxian congresses. More immediately, the guild socialists have probably borrowed it from the syndicalists. Parliamentary or state socialists—especially those "intellectuals" whose socialism is of the broad, consumers' type—have never been very enthusiastic about the "national guilds," because they detect in them the seeds of a sectional or group selfishness not unlike that practiced by their mediæval prototypes and by some trade unions to-day.[2] Yet, so great has been the desire to avoid undue centralization and to preserve local autonomy, that considerable concessions have been made to the guild idea.

Mr. Glasier thinks a composite form of organization the probable one in Great Britain, with a blending of national and local authority, and unions, guilds, and other voluntary associations. He says:

> The object to be arrived at in adopting and carrying out any socialist system, is to allow and encourage the utmost possible freedom of initiative and self-government to every citizen, every associated group of citizens and workers, and every town and locality, consistent with the general commonwealth scheme and supervision of the central government.[3]

Mr. MacDonald depends upon the training and equipment afforded by the trade union and co-operative movements, sup-

[1] Glasier, *Meaning of Socialism*, pp. 190-191 and chap. xxiv. Cf. Laidler, *Socialism in Thought and Action*, pp. 136, *et seq.*, 234; Ghent, W. J., *Socialism and Success* (New York, 1910), pp. 221-222.

[2] Cf. Ghent, *op. cit.*, pp. 223-224; Webb, *Constitution*, pp. xvi, 102-104, 157-163.

[3] Glasier, *op. cit.*, p. 197. Cf. also pp. 195-196.

plemented, as it now is, by workers' educational facilities, to carry on much of the industrial and commercial work of the new régime. Speaking of the co-operative movement he says:

> It catches up in itself the experience and needs of the worker of all grades both as a producing service-giver and as a consuming service-user, and it solves the administrative problem of the opponent of bureaucracy, on the one hand, and of the anti-state guild socialist, on the other, of how, when the state takes a direct interest in production and distribution, these functions can be kept out of the hands of the civil service, of office clerks, of a bureaucracy.[1]

Outlining a plan for the nationalization of the mines, he suggests the need of an industrial service rising out of the industry itself, with committees "representative of all the interests and functions—labor, management, the consumer, the state owner. In other words, the coal industry will be managed by a well-equipped body working for production, distribution, and use." [2]

The description given by Mr. and Mrs. Webb is much more detailed and elaborate, and can be only very inadequately summarized here. They do not attempt to overlook the fact that many interests are now national and international in scope, and that a considerable degree of centralization and fixing of common standards is absolutely necessary. Perhaps a dozen large industries would need to be dealt with on a national basis, while the areas and jurisdictions for others could be suited to varying circumstances. They insist upon one radical innovation—the separation of the functions now imperfectly performed by Parliament, and the assignment of more purely social and economic matters to a new body called the "Social Parliament." This, they think, will prevent unlike and largely unrelated questions from being confused; and, while avoiding the cumbrousness and other disadvantages of a referendum, will give a clearer mandate from the people upon each subject. The Social Parliament is to be the policy-determining body with reference to finance, health, education, and the national industries and services. The actual adminis-

[1] MacDonald, *Policy for the Labour Party*, p. 116. Cf. also pp. 109-121; MacDonald, *Socialism: Critical and Constructive*, pp. 132-143.

[2] *Ibid.*, pp. 91-94.

tration of each such industry and service is to be exercised by a national board appointed by the Social Parliament upon the advice of its standing committee for that industry. While much is said of the three different aspects of a man's life that need consideration and representation—as a producer, as a consumer, and as a citizen—the authors leave no doubt as to where, in their opinion, ultimate authority as well as ownership should rest. It is the "citizen-consumers" who are to elect the Social Parliament upon the basis of inhabitancy, and through it and the national boards to control the management and conduct of the industries. Opportunity, however, is to be given the workers or producers in each industry to participate and find expression through collective bargaining, through vocational representatives on the national boards, and through district councils and works committees.[1] Similar arrangements are to be made for those services carried on by local authorities, only that here it is believed that a larger share of "vocational self-government" can be allowed.[2] And, finally, the co-operative societies are to be continued and encouraged in that sphere of the production and sale of household requisites in which they have been so successful. In general, the activities of all such voluntary, non-political bodies satisfy the socialist requirements, so long as they are democratically controlled and are not carried on for profit.[3] Far from regarding the other branches of the labor movement as rivals or as mere palliatives that tend to blind the workers to their true condition, these evolutionary socialists look upon them as stepping-stones, or even as integral parts of the new system.[4]

Although wishing above all to keep a proper degree of plasticity, these clever social architects cannot help but pride themselves upon meeting all objections and providing for all factors and contingencies. If they are asked how they are

[1] Webb, *Constitution,* esp. pp. 176-189.
[2] *Ibid.,* pp. 224-236.
[3] *Ibid.,* p. 247, *et seq.*
[4] The so-called "immediate demands" of Socialist Party platforms looking toward better governmental machinery and toward improved working conditions are prompted by the same motive.

going to socialize given industries without undue hardship to present owners, they deny any intention to confiscate, and merely urge a more extended application of the right of eminent domain, with compensation or an annuity to those thus deprived of their property. A heavy inheritance tax running up to 100 per cent on property above certain amounts would soon cancel all such temporary claims, without anyone being the worse off. It has long been the socialist contention that the accumulated wealth of the past should, like culture and scientific knowledge, become common property.[1]

Asked how they are going to provide new capital for the growth of industry, they point out that a large proportion of present accumulation is already collective—made by corporations and associations rather than by individuals—that the co-operative societies are an example of such allowance for expansion as well as for depreciation.[2]

Challenged on the question of their ability to manage huge industries efficiently, they reply that there will be just as much managerial and other forms of ability left in the world under socialism as existed under capitalism—even more, because of the greater opportunities for its development; that the industries first to be taken over will be those which are already well established, and where, private enterprise having run its course, the management is now in salaried hands; that the spirit of public service, particularly in the absence of strong temptations from profit-making industry, will attract and offer sufficient incentive to men of ability; and that research and invention have also become largely collective in method if not in spirit.[3]

Nor are we able to "stump" them on that most vital and troublesome factor of labor itself. They are ready with rea-

[1] Saint Simon and his followers relied mainly upon this "falling in" of inheritances to bring all wealth into the control of the state. (Cf. Webb, *Constitution*, pp. 332-337, 346.) They suggest practically exempting fortunes of £5000 or even £10,000, but above that rapidly rising rates.

[2] Cf. Soule, George, *Accumulation of Capital* (pamphlet) (New York, 1924); Laidler, *op. cit.*, pp. 224-227; Webb, *op. cit.*, pp. 347-348.

[3] Cf. Kirkup, *Inquiry*, p. 154; Webb, *op. cit.*, pp. 56-58, 350-352; Laidler, *op. cit.*, pp. 207-224; Vedder, *Socialism and the Ethics of Jesus* (New York, 1912), p. 297, *et seq.* Mr. MacDonald carries out the argument to show that the Labor Party has talent to fill cabinet posts. (*Policy*, chaps. vi-viii.)

sons why all the present motives of economic self-interest and love of family which influence labor to put forth effort would be retained—no molly-coddling, "work or starve"—and why in addition to them would be reawakened the instinct of workmanship, social recognition and criticism, a new consciousness of the dignity of work because it would be the common lot of all, and a sense of security in employment that would remove all inducements to practice ca'canny or restriction of output.[1]

4. "STRENGTH AND WEAKNESS"

The literature in criticism of socialism, as once before suggested, is most of it very superficial and inadequate.[2] It recalls Dr. Johnson's famous remark about the author who had written more than he had ever read. Much of it partakes of the nature of a debate in which, by lot or otherwise, a man finds himself assigned to one side of a given proposition, and where he feels that he must grant no quarter to his opponents, but is bound to employ all the craft and cunning of real warfare. This process cannot contribute much if anything to the discovery or advancement of the truth, which usually lies somewhere between the two extremes; and it confirms rather than convinces those on the other side.

Probably in all respects the best estimate of socialism made by any American economist is still that written more than thirty years ago by Prof. Richard T. Ely with the above phrase as his subtitle.[3] It has the merit of having been made by one who, though never considering himself a socialist, had in an earlier day been associated with the Church Social Union of Boston, and who was sufficiently sympathetic with the movement to understand it, but who kept his poise as a social

[1] Cf. Kirkup, *Inquiry*, pp. 143-150; Laidler, *op. cit.*, p. 207, *et seq.*; Webb, *Constitution*, pp. 100-101, 164-165, 299, 348-352; Hobson, *Incentives*, p. 116, *et seq.*

[2] Of this character especially were several of the books appearing just after the War and the Russian Bolshevik Revolution: Myers, W. S., *Socialism and American Ideals* (Princeton, 1919); Brasol, Boris L., *Socialism vs. Civilization* (New York, 1920); Doughty, W. H., Jr., *Socialism and the Average Man* (New York, 1922), etc.

[3] Ely, *Socialism: an Examination of Its Nature, Its Strength and Its Weakness, with Suggestions for Social Reform* (New York, 1894).

scientist and did not become a partisan on either side. It offers a model for all later critics to follow. The true guides and leaders of social thought and progress are not commonly found in the midst of the fray, but give their directions from points of observation in the rear, where they can see the entire proceedings and can keep their heads cool.

Big business and employers generally have, of course, no friendship for socialism. Unionism and labor legislation almost take on the guise of allies if they can only stay the threatened socialist advance. The late Mr. Gompers and other moderate labor leaders have had praise and honor in some high quarters. Such men, it is thought, ought to be encouraged lest worse should arise and obtain influence. Doubtless, socialist criticisms have not been wholly without effect in awakening some employers to the justice and the desirability of more liberal labor policies. The efforts made from whatever motive by the Stock Exchange, the Chicago Board of Trade, the Advertising Clubs, and "better business" leagues to clean house and raise the standard of business ethics are all to the good. The fear of imported radicalism was a contributing factor in the prompt passage of the quota law restricting immigration to the United States.

Various social sedatives have been applied from time to time. The gospel of thrift has been given great vogue by those who see in it a counteracting agency against socialism. The "men who are making America" have been duly glorified in the press; and muck-raking is somehow no longer a popular sport for magazine writers. In 1906 the National Civic Federation called W. H. Mallock to this country to give a series of anti-socialist lectures in various cities. In charming style and with a wealth of literary allusions, he endeavored to show that the really great producers of a country are the few men of genius and directive ability; that capital is the implement or agency through which these men work; and that their rewards are at present no more than commensurate with their services.[1] The large and intolerant use made of war powers

[1] Cf. Mallock, *A Critical Examination of Socialism* (New York, 1907), *passim*.

and the appeal to patriotism during the Great War in order to give socialism a "black eye" were mentioned early in this chapter.[1] Much of the use made of the Russian analogy—the "poison gas attack," as Dr. Ross calls it—has undoubtedly been inspired by conservative interests. Conditions which, from whatever combination of causes, were admittedly bad enough, were exaggerated and misrepresented beyond belief, as an awful warning of what we are coming to if the socialists should ever get control.[2]

Ordinary peace-time suppression and intimidation have likewise been used as a weapon, although, in the nature of the case, their extent cannot be known. Every little while some voice that has for a period been valiantly raised for radicalism seems suddenly to die down and is heard no more in the cause. Perhaps its owner has only grown older and wiser, and given the subject more mature reflection. Socialists, however, are apt to suspect that he has been told or has learned that such talk is not good for his business or professional prospects, and that he is not willing or, perhaps for family reasons, able to make the necessary sacrifice. Not all the "Ichabods" and "lost leaders" have been lamented in verse.

In the main, the tactics thus far followed by big business and its political representatives in opposing socialism, whatever temporary success may seem to have attended them, have not been such as to allay discontent. Rather, they are more to be feared by the moderate constitutional socialists than by the more revolutionary communistic element into whose hands they so often play. Like induces like.[3]

To the *general public* what we have called consumers' socialism, or even its close relative advocated by the Fabians in Great Britain, cannot seem very terrifying. To condemn it now would be to go back upon many things we have already

[1] *Supra*, p. 597.

[2] Cf. Ross, E. A., *The Russian Soviet Republic* (New York, 1923), esp. chap. xxiii. Cf., also, the books by Myers, Brasol, and Doughty referred to on p. 623.

[3] Cf. MacDonald, *Policy for the Labour Party*, pp. 61-63, 70, and his statement regarding the plans of the "Organization for Maintenance of Supplies," New York *Times*, October 12, 1925, p. 23.

done and are not at all disposed to undo. It is distinctly opportunistic in method, is inspired by concrete conditions, and is largely justified by results. It covers, or proposes to cover, much the same type of industry or service as the co-operative societies, except that for reasons of policy and practicability—the magnitude of the enterprises and the generality of the interests involved—it makes a larger, although not necessarily an exclusive, use of municipal, state, or national authority and organization. They are industries or services of vital public concern which, either because of the relative simplicity of their operation, or because they have become fully matured and standardized, it is deemed feasible and wise for the citizen-consumers to own and manage.[1] Other industries are left either to the co-operative societies or as the happy hunting-ground of private enterprise, until some of these latter may also be ready for absorption.

The questions that arise are, of course, as to where at any time the line between collective and private enterprise shall be drawn, and as to whether this piece-meal scheme is socialism at all. The debater or controversialist, having adopted an absolute definition, would not be content to allow his "worthy opponent" to pick and choose after this fashion. He must go the whole distance and socialize everything. Professor Ely reasonably suggests that only those are socialists who believe that the program is destined to be realized within a finite period, say, a generation or at most a hundred years—a time near enough to affect the present and to make the goal worth striving for.[2] But what of those who believe it desirable that only a few things shall be socialized now, and who are apparently in doubt as to whether some other things will ever be socialized?

The other question, however, is the one which the econo-

[1] Mr. and Mrs. Webb attempt to distinguish between the interest of the consumer and of the citizen, considering the latter as having the broader and longer view. But where public service industries are under discussion, the two are obviously practically identical in scope; and in their apportionment of authority over economic affairs in the future state the Webbs ultimately identify the two as the "citizen-consumers." (*Constitution for Social Commonwealth*, pp. 103, 117, *et seq.*, 150-154.)

[2] Ely, *Socialism and Social Reform*, p. 193.

mist and the political scientist, as the self-appointed guardians of the public interest, must ponder carefully. Relieved of the old incubus of Marxian economics and (assuming that the moderates can continue to control, as they did at the Liverpool Conference of the Labor Party in 1925) of its more startling revolutionary possibilities, socialism becomes a matter of concrete choice or practical judgment. Under the circumstances now existing, which will most redound to the public advantage, this or that? The circumstances change; hence the answer is never final.

Over a considerable part of the industrial field to-day, as the Fabians admit, competition still prevails; and the successful business man may be looked upon as being freely elected by the suffrage or the patronage of satisfied consumers. It seems almost as democratic as if he were personally chosen to carry on the business for the public—and, to many people, much less risky. If it is claimed that the public often permits itself to be deceived and imposed upon, the reply is that the same might well be true under a system of more direct choice. Both Hartley Withers and Mr. Mallock suggest that the remedy is to be found in the education of the consuming public, so that they will buy more intelligently and know who their friends really are.[1] This being possible, it is probable that in this area the greater alertness and adaptability of rival producers really serve the people better than if they undertook the task directly. Even where conditions seem to be approaching monopoly, the appearances are often deceptive. Just about the time that some concern thinks it has the consumer in its grip, a new device is likely to be discovered that prevents its greedy expectations from being realized. Motor vehicles could almost regulate the railroads to-day without the Interstate Commerce Commission; and air transport may soon rule them both. The radio made it necessary for the Victor Talking Machine Company to pass its dividends; but now the orthophone people think they have "gone them one better." So it is.

[1] Withers, *The Case for Capitalism* (London, 1920), pp. 77, 91; Mallock, *Critical Examination*, p. 149.

But in that larger or smaller field where competition does not afford adequate protection, or where private enterprise is unduly wasteful and careless of the rights of posterity, what shall the public policy be—regulation only, or collective ownership and management? Certain industries, we recall, of which water-supply is the type, are so closely related to public health and welfare that they should never be placed on a commercial basis. Others may become public because, either through excessive taxation or regulation or for other reasons, private enterprise hesitates or defaults. The motive of conservation of limited natural resources brings general sanction for the public control of certain others—forest lands or watersheds in particular.[1] The really debatable territory remaining probably includes, in both Great Britain and the United States, the railroads, coal and oil lands, and electric power developments.

The grounds upon which public ownership and operation of these last have been discussed are chiefly those of relative efficiency. It is claimed by some—to paraphrase the Scriptural principle—that the government has proved so unfaithful over a few things that it should not be given charge over many. Professor Ely thinks that the concentration of dissatisfaction against the government under a socialist régime would lead to frequent changes of administration, and perhaps to the speedy overthrow of the whole system.[2] Many progressives themselves think that the place to begin is to perfect the technique of government, to build up an efficient civil service, and to introduce the budget system and other business methods throughout.

Yet there is danger of interpreting efficiency in somewhat too narrowly monetary terms, and of forgetting how its benefits are distributed. It is not quite fair, either, to demand that all the advantages which the collectivists urge for their system should be immediately forthcoming; or to set up as prerequisites things that can only be hoped for as results. The tendency of democracy all along, as, for example, in the

[1] Cf. *supra*, p 607.
[2] Ely, *Socialism*, pp. 197-214.

extension of the suffrage, has been to run somewhat ahead of the fitness of the people for the duties thrust upon them, trusting that experience and a sense of responsibility will make up for some of the deficiencies of preparation. Neglect and ignorance of what is really going on are our besetting political sins; and it is perhaps arguable whether conferring additional and more intimate functions upon governmental bodies might not help to cure rather than to aggravate them. The waste of public funds to-day is, in part, due to the belief that under our tax system the "other fellow" can be made to pay for it. The purifying influence of working-class participation in politics has already been indicated.[1] Testimony comes especially from cities in England and on the Continent, of the efficient and disinterested public service which socialist councilmen have performed. Milwaukee found it convenient to turn to a socialist ticket to rid itself of boss rule. Besides, the methods, already described, by which Mr. and Mrs. Webb and other British socialists would divide the territory and decentralize administration while protecting the general interest and securing the unified co-operation of all parties deserve attention as an answer to the charge of governmental remoteness and inefficiency.

But, when all is said that can be said for socialism, even in this limited field, it remains that time and a fair amount of caution are necessary. The socialized individual must have a chance to develop. When so many people are lacking in civic pride, commit depredations upon public parks, throw glass bottles on the pavement, play musical instruments in a crowded neighborhood at midnight, and perform other unsocial acts, it does not seem that we are quite ready for socialism. That mutual supervision and attitude of constructive criticism on the part of consumers and employees which the Railroad Administration tried somehow to encourage in place of mere grumbling and cursing, during its brief and hectic career in the war-period, is a necessary feature of any successful collective enterprise; and while it can be more easily

[1] *Supra*, p 541.

developed in a public utility which everyone uses every day, it will continue to be a matter of slow growth.

What, finally, has socialism to offer to *labor?* According to the older Marxians, almost everything. It was, as we have said, the growing number of the proletariat and their rising class-consciousness that was ultimately to bring the new system into existence; and to them it was to bring emancipation from "wage-slavery," the "whole product of labor," power and control over the process of production, the chief place of honor. The parasites and exploiters were to be dislodged and everyone compelled to join the ranks of the workers, only that, in consequence of this relief and of the greater efficiency of production, the conditions of toil and of living were to be immensely improved. Hence, as already noted, chief appeal has been made to labor; and the workers constitute the rank and file of the movement.

Also, most of the critics have assumed that it was the prospect of a labor government with which they had to deal; and have set themselves to show labor its proper place. They have devoted much effort and ingenuity to refuting the labor theory of value and the "surplus-value" theory, and to establishing the justifiability of interest and profits. And they have freely predicted that under socialism labor would carry itself, along with the rest of humanity and civilization, down to a common ruin.

The newer school of British socialists, however, as we have seen, not only differs from Marx as to the nature and extent of the exploitation which labor suffers, but seems to make a less direct appeal to labor as such, and to assign to it a less important rôle in the new commonwealth.[1] They even accept most of the teachings of the economists upon the four factors of production and the four resulting shares in distribution. They find exploitation of labor in the advantage which employers take of the weakness of the individual worker in bargaining—the evil which unionism is striving to correct. But they emphasize much more those forms of exploitation and inequality which the worker suffers along with others as a

[1] *Surpa,* pp. 606-608.

member of the community: (1) the concentration of wealth perpetuated by inheritance, and (2) the excessive prices and profits of trusts and monopolies. The payment of interest or of rent, they say, is not of itself an evil, but that the evil lies in the fact that the payment often goes to those who have themselves performed no service in return for it. That is the basis of class distinctions which must be abolished; and with it all sources of profit out of proportion to the service rendered. Consistently with this social as opposed to a class viewpoint, it is the citizen-consumer and not labor as such with all its particularist interest that is to dominate the new system. At most, the position of labor is to be a contractual one.

The wage-system is, therefore, not to be abolished by socialism. It is difficult to conceive how it could be in any case. If labor is to be directed into useful channels, it is the wants of the consumer, whether guessed at and interpreted by a private business man, or expressed more directly by some organization of consumers, that must guide and control it. The essence of labor is service. And, as Mr. and Mrs. Webb maintain, if proper discipline is to be secured in the factory, and if the economic incentive to put forth effort, which most people agree to be necessary, is still to be retained, the workers are not either to be or to elect their own bosses; and something amounting to wages, graded according to quantity and quality, or supply and demand, must be paid.[1] The workers may find the community or its representatives as a more democratic and soulful body—really largely composed of themselves in a more general aspect of life—a somewhat more pliable employer than the private corporation, and one more disposed to grant collective bargaining and labor representation. But, as we saw in the co-operative societies, there is no reason to believe that unionism for the purpose

[1] Webb, *Constitution,* pp. 157-163, 185. Cf., on the retention of the wage-system, MacDonald, *Socialism: Critical and Constructive,* pp. 132-143 (largely the guild idea); Skelton, *Socialism,* pp. 203-209; Withers, *Case for Capitalism,* pp. 141-145. Many critics have for the convenience of refutation assumed that the economic motive would not be appealed to, but some more intangible motive of service or the instinct of workmanship.

of safeguarding the rights of the workers would not still be necessary under socialism.[1]

Socialism is the only branch of the labor movement which promises to deal adequately with the problem of the concentration of wealth and the resulting inequality of opportunity. The newer school of socialists do not wish to abolish, or even to discourage more than necessary, the accumulation of wealth during a man's lifetime, nor the maintenance of proper homes or the care of dependents. They even contend that under the "commonwealth" there would be a "continuous increase of private property in individual ownership"—that socialism will open the door to the acquisition and enjoyment of private property for the great mass of people to whom it is now closed.[2] But, as stated above, they do not intend that some members of one generation shall be handicapped by inheriting too little from the previous one; or that others shall be handicapped in a different way by having too much. They would reach the desired happy medium by establishing a "national minimum" for all, and by close restriction on the right of inheritance. Each generation, considered as individuals, is to be insured a fair chance, and then is to be required to stand on its own feet and make its own fortune.

There is no denying that these measures strike a sympathetic chord in many breasts. Greater equality of opportunity must continue to be the ideal of democracy; and when the great majority find that conditions are such as to hinder or even deny it, it is time to have a change. But as yet most of us do not find the situation so direful, or requiring such a drastic remedy. To espouse socialism in order to overcome the concentration of wealth is a bit too much like burning down the house in order to have roast pig for dinner. Socialist criticisms and socialistic sentiment can be very valuable in promoting less heroic reforms, not all of them of a legislative character. The National Insurance Act, the Trade Boards Act, and other social legislation in Great Britain, when sec-

[1] Webb, *Industrial Democracy*, p. 824.

[2] Cf. Webb, *Constitution*, pp. 340-347; MacDonald, *Socialism: Critical and Constructive*, chap. vii.

onded by a thorough and adequate system of public education, go far toward establishing a "national minimum," even though it is not yet high enough. And whether financiers and tax experts like it or not, they are destined to have to deal with those like Henry George, Theodore Roosevelt, and Robert La Follette, who believe that our tax system can be used as an agency of social amelioration. The taxation of the unearned increment, the heavy, although, it is hoped, more equitable taxation of inheritance, especially that passing beyond the family circle, and the use of the progressive rate wherever and in whatever degree it is practicable, are good sociology, and not necessarily bad finance.

The socialists are not a menace unless we make them such. They merely show too strong an inclination, as William Allen White once expressed it, to look over to the back of the book to see how the story is coming out.

CHAPTER XXIV

A WORKING CREED

As with life in general, so with the labor problem, we cannot fully know what is the goal toward which we are moving. Indulgence in social visions may serve to elevate the mind and to inspire enthusiasm; but it is all too likely to blind us to the more practical tasks of the immediate present. We must keep our feet on the earth and be content to take one step at a time. To attempt too much is often to accomplish nothing.

But we can at least know whether we are going in the right direction. A scientific, open-minded study of industrial conditions, relationships, and movements, such as we have undertaken in the previous chapters, should yield as its essence a working creed or practical ideal to guide us on our way. It should convince us of the improvability of all things and of the large share which individuals and groups of individuals can have in shaping and working out their own destiny. If employers and employees and the public will only live up to the light they have, they can be assured that the experiences of to-day will prepare them for the morrow; and they need have less concern either about the details of a future state or about the rate of progress which they are making toward it.

1. Social values, even though less tangible, are always to be more highly regarded than economic or financial. Health, intellectual freedom, culture, and morality are more important than material prosperity and advancement. There is, to be sure, no necessary antagonism. It is chiefly a matter of emphasis. The older economists were fond of demonstrating that what is financially profitable is also socially advantageous. The newer sociological school thinks it more proper to argue that healthful, humane, and liberal industrial methods are,

fundamentally and in the long run, at least not unprofitable. Certainly we are not told by the highest ethical authority to seek first the things of this world in the hope that all the spiritual graces will be added unto us. That point of view, narrowly conceived and pursued, is almost sure to defeat its own end. Every institution, industrial system, and business practice is rather to be judged according to its social usefulness and the extent to which it ministers to the happiness and welfare of all the people affected by it. It is even conceivable that we might be happier without being more efficient; that welfare would be increased if a smaller product were more equally distributed; that expenditure and consumption are sometimes more blessed than thrift and accumulation.

2. In like manner the public service is obviously paramount to all individual or group interests. Consumers, as the all-inclusive group are entitled to a square deal, and should be protected from interruptions in service and from exploitation either by the manufacturer, the merchant, or the labor union. They forfeit such claims when they try to get something for nothing, and when they fail to give proper reward and recognition to competent and faithful service.

3. It is particularly the function of the state, as the representative and guardian of the common welfare, to set up and enforce minimum standards for the conduct of industry and trade, so that public and social interests may not be invaded or neglected in the shortsighted struggle for private gain. The extent and the methods of such control will naturally vary with industrial development, with the temper and intelligence of the people, and with the form and efficiency of the government. Countries with strongly democratic traditions and institutions, like Great Britain and the United States, are more sensitive to the requirements and to popular demand. True democracy calls for the abolition of all special privilege, and guarantees to every individual in each succeeding generation a full and equal opportunity to develop and use his abilities. Only thus can stratification and more or less permanent class lines be avoided. It implies that the legal framework of society—the sphere in which business

operations are conducted—should be so formed and adjusted that rewards may be as nearly as possible directly proportional to services rendered. More specifically, it involves the suppression of monopoly, the social appropriation of income or property that is really unearned, the strict limitation of the right of inheritance, a highly perfected system of popular education, freedom of discussion, and the whole body of social and labor legislation which is aimed to prevent the past from impinging too severely upon the present, and the present from mortgaging the future too heavily.

Judgment and discretion alone can determine at any time or in any given situation whether this governmental control can best take the form of: (a) investigation and publicity making possible the intelligent direction of public opinion and public criticism; (b) specific regulations governing private business laid down by legislative action and supplemented or adapted as conditions demand by a commission or administrative board; or (c) the direct ownership and operation of industry by the government or some of its organs.

4. But so complex and changeable are industrial conditions and relationships, so great is the importance of intimate knowledge and a high degree of flexibility, that, whatever the system of ownership and the final seat of authority, a large proportion of the adjustments must continue to be made by and between management and men within the confines of industry itself. It would be futile to hope that disputes or the grounds for them will entirely disappear. But in the light of favorable experience it is reasonable to believe that such machinery for consultation and mutual interchange of information between the parties can be developed, and such a spirit of co-operation cultivated, that disputes will be less frequent, and that when they occur they will be settled promptly and peaceably.

Here, again, progress appears to be in the direction of more democracy. Autocratic methods of management in which wages have become the chief bone of contention, have suffered from many of the same direful consequences that in former times made slavery and serfdom uneconomical and ultimately

led to their abolition. They fail to enlist and utilize the full energy and intelligence of the working-force. Arbitrary methods, secrecy, and insecurity bear their natural fruits in unreasonable demands, suspicion, and restricted output. The old incentives to industry, never any too strong, seem to have played out. Under democratic political institutions and with the spread of education, the workers are no longer swayed so powerfully by respect for their "betters," and are not disposed to submit to the goad of fear without protest. The joy of achievement and of exercising skill, which was so characteristic of handicraft trades, has itself been largely taken away. And the chances that one may be lost in the crowd and that merit or devotion to duty may be more likely to bring criticism and even ostracism from one's fellows than promotion from the management, have weakened the hope of individual advancement as a motive.

The situation can be redeemed only by a leadership which understands human nature and which can revive many of these old incentives and supplement them with new ones. Labor needs to be convinced by practical demonstration that management is really on the job, earning all that it gets. Mere ownership-control and running on momentum will no longer suffice. That is possible only on the down grade. Instead, progressive business managers are finding that the simple, straightforward imparting of information through appropriate media, is just as effective as a personnel policy as it has proved in the advertising field. The gratification of the desire to know what is going on—curiosity, it may be—is the basis for understanding and harmony. And, strangely enough, the information does not all proceed from the management side. If it be said that the rank and file of labor is not yet competent to assimilate and make proper use of business facts, or to participate in the settlement of management problems, the answer is two-fold: first, that there are in every group potential leaders who have this ability, and who, if they are not encouraged to lead in the right direction, are apt to lead in the wrong; and, second, that concerns like the Eastman Kodak Company, the Baltimore and Ohio

Railroad in its shop department, the A. Nash Company of Cincinnati, and many others which have opened up such channels of easy communication, have been surprised at the fertility and practicability of the ideas coming from the men. Only thus is it possible to harness the entire brain capacity of the establishment and not merely that portion which happens at any time to reside in executive offices.

Participation by labor in management, however limited, helps also to compensate for that decline of skill and the dreary monotony of many tasks, which we have so frequently lamented in modern machine production. In fact, almost any job, when analyzed and shown up in the proper light, still has in it some intellectual content and some cause for pride. When its relationships to other processes and the chance for progress in its performance are once revealed, and when it is glorified by a consciousness of social usefulness, it ceases to be merely a means of making a living.

Co-operation and mutual accommodation between management and men can likewise do much toward regularization of employment, and to dispel the sense of insecurity. A fair and square system of promotion, if it can be worked out, will perhaps do more than anything else to persuade the workers that the door of opportunity is still open, and that their interests as individuals as well as a group are being properly considered.

The agencies through which such interchange of ideas and such mutual agreement between labor and management may take place, need not always be the same. If the brunt of the argument has been largely directed at the employer, it is because he has hitherto so often been the unwilling party, and because under prevailing conditions the initiative toward a more enlightened and more efficient policy of industrial management must largely come from him. Unionism, where it has become strong enough, has been valuable in forcing some recognition of the right of collective bargaining, and must continue to exist and to grow as the defender of the interests of labor which are really not identical with those of the employer. But as a fighting organization it is prone to

overemphasize rights and differences, and not to be ready to co-operate where co-operation is desirable. At best it covers but a limited part of the field.

Under these circumstances the consensus among students of the labor problem and of personnel policies is strongly in favor of the numerous experiments in labor representation that have developed in the last decade or more. Granted that, as already noted, the motives of corporate managers in introducing them have not always been perfectly honest and open, and that no shop organization can ever be strong enough to protect all of the interests of labor; yet for most of the plants in which they have been adopted they represent a distinct advance in labor policy. They are an acknowledgment that labor has a right to be consulted about some matters connected with the business; and besides their present usefulness in promoting harmony and efficiency, they may easily prepare the way for something much more advanced than is contemplated in the plans of the founders.

INDEX

Ability and wealth, 171–172, 174, 187–188, 195.
Abrahams, Henry, cited, 485.
Academic freedom, perils to, 211–215, 597.
Accidents, industrial, 108–115, 123–131;
  definition and reporting of, 108–111;
  statistics, 111–114;
  preventability and responsibility, 115–119, 123–132;
  rates in different countries, 124–125;
  effect of workmen's compensation on, 127–131;
  wages and, 159–163.
Adamson Eight-hour Act, 10, 468, 494, 543 and note.
Addams, Jane, cited, 219n.
Admission to labor unions, 345, *et seq.*
Advertising, and journalism, 207–210;
  and co-operation, 581 and note.
Age, of immigrants, 33;
  of women gainfully employed, 82;
  of employees in automobile and metal-working establishments, 82–83;
  and wages, 82;
  of retirement for pensions, 97–98, 100–101.
Agricultural labor, as a source of industrial, 20–24.
Aldrich Committee Report, 143, 146.
Alexander, Magnus, cited, 6, 82, 326, 335-336.
Amalgamation among unions, 278–279, 288–289, 301, 311–313.
American and British conditions compared. See British and American.
American Association for Labor Legislation, 72–73, 119, 130, 505, 531.
American Federation of Labor,
  wage-declaration of, 141;
  organization work of, 236, 237, 285–286;
  craft basis of, 256, 283;
  and the International Federation, 271n.;
  trade autonomy principle of, 276–277, 283–285;
  and central labor unions, 280–281;
American Federation of Labor—*Continued*
  as umpire in jurisdiction disputes, 286–290;
  participation of in trade affairs, 290, 294;
  finances of, 292–293;
  and industrial education, 357;
  and race-discrimination, 359;
  use of boycott by, 422–423, 427;
  political activities of, 451, 452, 458, 469, *et seq.*, 481, 484–485, 493, 495, 497, 498, 506–507, 509, 516, *et seq.*, 545–547;
  and socialism, 283, 303–304, 503, 522, 614–615;
  and a labor party, 522, 526–527;
  and co-operation, 554.
American Federationist, 291, 422, 525.
Andrews, John B., cited, 129.
Anthracite coal strikes, 331.
Anthrax, 107, 108.
Appleton, W. A., and the General Federation of Trade Unions, 297, 298, 376, 545.
Apprentices, Statute of, 229–230, 241.
Apprenticeship,
  under guild system, 24–26;
  corporate systems, 66;
  union restrictions on, 348–352, 354–356, 385;
  and industrial education, 356–357.
Arbitration of labor disputes,
  limits of, 323, 415.
  See, also, Compulsory arbitration.
Armour and Co.,
  pension plan of, 97;
  ownership of, 183.
Army tests, 199–201.
Ashley, W. J., cited, 146.
Assemblage, infringements on right of, 204–206.
Associated Press, 207.
Association of University Professors, 214.
Assumption of risk, doctrine of, 127.
Astor, John Jacob, and his fortune, 192.
Australasia,
  compulsory arbitration in, 10, 415;
  wages boards, 505.
Australian ballot system, 451, 455.

Austria-Hungary, immigration from, 32.
Automatic couplers, 124.
Automatic sprinklers, 123.
Automobile industry,
labor turnover in, 5–6;
machinery in, 66, 275;
employment in, 70;
age of workmen in, 82;
unionism in, 439.
Autonomy, trade, principle of the American Federation of Labor, 276–277, 283, *et seq.*, 290.

Bagehot, Walter, *Lombard Street* cited, 189.
Bailey, Dr. William B., cited, 139.
Bakery Workers, 291, 423, 424, 437.
Baltimore and Ohio Railroad,
pension plan, 96;
relief association, 137–138;
employee representation plan, 637–638.
Banks, labor, 573, 574–575 and note.
Bargaining power of labor, 101, 153–156, 160, 260, 317–322, 425–426, 432. See, also, Collective Bargaining.
Bargain theory of wages, 142n.
Barker, J. Ellis, cited, 363.
Barnett, George, cited, 367, 438.
Beard, Charles, cited, 449.
Beck, James M., cited, 476.
Belgium, prevention of coal-mine accidents, 124–125;
co-operation in, 581.
Bell, Richard, 434–435.
Bellamy, Edward, and *Looking Backward*, 616.
Benefit features of unions,
extent and forms, 391–396;
criticism and advantages of, 236, 244–245, 270, 276, 396–401, 435, 440;
administrative difficulties, 401–404;
and governmental insurance, 391, 402, 503, 549.
Berger, Victor, 597n.
Berman, E., *Labor Disputes and the President of the United States* cited, 543n.
Beveridge, W. H., *Unemployment* cited, 67, 69.
Bevin, Ernest, cited, 278.
Binkerd, Robert S., cited, 182–183.
Bird, Charles Sumner, quoted, 539.
Birth-rate,
and immigration, 55–56, 156;
among workers, 155.
Blacklist, 205, 380–381, 420, 426, 470–471.
Boards, governing, of colleges and universities, 212–214.
Boilermakers, 91, 308, 351, 369, 372.
Bolshevism, 599, 625.
Bonus system, 87, 89, 370.
Boot and shoe industry,
women in, 39;
overexpansion, 57;
machinery in, 59, 190;
wages in, 147.
Boot and Shoe Operatives (British), 328, 329, 352, 372, 382, 497.
Boot and Shoe Workers' Union, 270–271, 289, 308, 314, 339, 401, 423, 425, 430.
Booth, Charles, *Life and Labour of the People* cited, 168, 180.
Boston Family Welfare Society, cited, 167.
Boston police strike of 1919, 414, 494.
Bottle Manufacturers' Association, 8, 330.
Bowley, A. L., cited, 146, 176.
Boycotts,
and the American Federation of Labor, 291, 422–423;
nature and forms, 420–421;
history and examples, 422–425;
defensibility of, 425–428;
under British Industrial Disputes Act, 422, 464–465;
before American courts, 427–428, 466, 475–476.
Bradford, E. S., report on *Industrial Unemployment* cited, 51.
Bramley, Fred, 300.
Brandeis, Justice Louis A., cited, 428.
Brass founder's ague, 103, 105.
Brewery Workmen, United, 100, 291, 424, 437.
Bricklayers, 270, 370, 374, 376, 394, 438.
Brissenden, P. F., cited, 68.
British and American developments and conditions compared, 14–16, 35–38, 122, 131–132, 156, 180–181, 215, 225, 239–240, 242, 245, 258, 262–263, 280, 295, 309, 318, 325, 327, 344, 350, 363, 364, 393, 422, 447, 449, 458–459, 471, 474–475, 476, 483, 485, 490, 494, 496, 509–510, 516, 529–530, 532, 550, 569–570, 578n., 598, 608, 615.
British Land Enquiry Committee, cited, 22n.
Brownlie, President, of A. E. U., cited, 376–377.
Buck's Stove and Range Company, boycott case of, 291, 422, 424, 472.
Budget, family,
items in, 164–166;
estimates, 166–168.
Buell, Bradley, on employment agencies and bureaus, 54 and note.

Building trades,
seasonal unemployment in, 67, 70;
Hoover committee on regularization in, 72;
accident-rate in, 113;
wages in, 159;
collective agreements of, 294, 329;
apprentices in, 356;
fees in, 360;
restriction of output in, 369, *et seq.*, 379;
boycotts in, 420, 424.
Building Trades Department of the American Federation of Labor, 290, 294.
Building Trades Operatives, National Federation of (British), 310, 329.
Bureau of Mines,
safety work of, 125, 131.
Bureaucracy, socialism and, 602, 618, *et seq.*, 629.
Burns, John, 244, 483, 512, 513.
Burt, E. L., on unions, 430.
Burt, Thomas, 462, 511.
Business unionism, 225–227, 234, 242.
See, also, Unionism.
Byington, Margaret F., cited, 168–169.

"Ca'canny," 379–380.
Cairnes, J. E., *Political Economy* cited, 142, 171 and note.
Cameron, Andrew, and *The Workingman's Advocate*, 249–250 and note.
Canadian Industrial Disputes Investigation Act, 10, 415, 470.
Canning industry,
machinery in, 66, 87;
seasonal character, 70;
wages in, 170;
exemption from legislation, 536.
Capital,
forms and functions, 14–15;
under domestic system, 27;
ratio to wages, 41–43;
fixed charges and employment, 61, 73–75;
and hours of labor, 92;
accumulation and interest rate, 149, 151–152;
and business success, 190–191;
and cost of strikes, 412–413;
of co-operative societies, 566–567, 577–579, 588;
under socialism, 608, 622.
Carlton, F. T., *Organized Labor* cited, 484.
Carpenters, Amalgamated Society of, in America, 239 and note.
Carpenters, Brotherhood of, 268, 275, 287–288, 293, 369, 394, 424, 435, 438.
Casual unemployment, 69, 159.
Censorship, proper limits of, 204, 469.
Central labor unions,
in 1836, 246–247;
in 1864, 248;
in the American Federation, 279–281;
political activity, 523.
See, also, Trades councils.
Chain stores and co-operation, 570, 591.
Chapin, Robert, *Standard of Living in New York City* cited, 167.
Chart showing growth of American Federation of Labor, 255.
Chartism, 233, 244, 453–454, 510.
"Check-off" in coal industry, 332.
Checkweighman for coal mines, 504
Cheyney, E. P., cited, 145.
Child labor,
under earlier labor systems, 24–28, 35;
statistics in Great Britain and United States, 35–36;
federal child labor laws, 36, 477, 478;
legislative regulation of, 489–491, 535–536, 537.
Child Labor Amendment, 477, 479, 539, 546.
Children's Bureau, 482.
Chinese and Japanese exclusion, 498.
Chiozza-Money, L. G., cited, 180–181.
Christian Socialists, 233, 562, 564–566, 601, 610–612.
Cigarmakers' Union, 240n., 253, 254, 270, 291, 309, 356, 358, 373, 392, 394, 403, 424, 437.
Civil liberties, interference with, 204–206.
Clark, Lindley D., report on constitutionality cited, 478.
Class divisions and "class consciousness," 39–43, 172–174, 198–199, 216–220, 221, 515–516, 532, 541–542, 598, 606, 631.
Clayton Act, labor clauses of, 333, 467, 471, 474, 476, 529.
Clews, Henry, quoted, 187–188.
"Closed shop."
See Union shop.
Clothing, for safety and health, 121, 124.
Clothing industry,
immigrants in, 34–35;
women in, 38–39;
regularization and employment insurance in, 72;
wages in, 159;

Clothing industry—*Continued*
trade agreements in, 329, 336, 337;
See, also, Amalgamated Clothing Workers; United Garment Workers; International Ladies Garment Workers.
Clothing Workers, Amalgamated, 287, 305, 314, 336, 337, 355, 371, 433–434, 437, 438, 575.
Clynes, Hon. J. R., quoted, 376.
Coal mining industry,
strikes in, 9–10, 331, 339, 412, 468;
immigrants in, 34–35;
overdevelopment and unemployment, 57, 332;
machinery in, 59, 66, 372–373, 377;
accident-rate in, 113–114, 124–126, 131;
explosions, 114–115, 125–126, 131;
explosives permitted in, 125;
wages in, 162–163;
collective bargaining in, 331–333, 340;
nationalization of, 437, 447, 609;
legislative regulation of, 495–496, 504–505.
Cohen, J. L., *Insurance Against Unemployment* quoted, 501.
Cole, G. D. H., cited, 282, 310, 414, 606.
Collective bargaining,
need for, 17, 40, 225–227, 317–322;
attitude of economists toward, 318;
attitude of British and American employers toward, 318–320;
shop-committees *vs.* unions as organs for, 320, 322–327;
examples of successful, 327–334;
observance of contracts, 319, 335–343;
form and terms of agreements, 340–342;
legal status of, 342–343;
as a remedy for restrictive tactics of labor, 344, 388–390;
insurance features and, 400–401, 403–404;
and strikes, 405, 413.
Colleges and universities, endowed *vs.* states, 212–215.
See, also, Academic freedom.
Colorado, labor troubles in 1904, 11n., 206.
Combination Acts, 229–231, 241, 281, 391, 459–460.
Commerce as the primary factor in the Industrial Revolution, 15, 26–27, 261–262.
Common law,
right to enter a trade, 26;
and employer's defenses against damages, 127–128, 499;
Common law—*Continued*
doctrine of conspiracy and the unions, 231, 245, 415, *et seq.*, 425, *et seq.*, 462–463, 465, *et seq.*
Common rule, as a union principle, 322;
and restriction of output, 381–383.
Commons, John R., cited, 129, 228, 257, 331, 364.
Commonwealth Edison Co., group insurance plan of, 139.
Commonwealth *v.* Hunt, 465.
Communism, 13, 599.
Company stores, 322, 504, 546.
Company unions.
See Shop-committees.
Competency, union admission by, 350, 355, 356.
Compositors, London Society of, admission requirements, 351–352, and the linotype, 372.
Compulsory arbitration, 10, 415, 457, 470.
Conant, Luther, *Industrial Pension Systems* cited, 96n., 101n.
Concentration of wealth, and crises, 73, 76;
and ability, 171–172, 174, 187–188;
and class lines, 172–173;
and morals, 173, 217–218;
degree of, and criteria, 174–181;
increasing, 181–195;
and redistribution, 194–195;
unionism and, 441;
co-operation and, 595;
socialism and, 173–174, 631, 632–633.
Conductors, Order of Railway, 395–396, 403, 438.
Confectionery industry,
wages in, 169, 170.
Confiscation, socialists and, 621–622, 632.
Conrad, Johannes, cited, 189.
Conservation of natural resources and collectivism, 193–194, 607, 608, 628.
See, also, Land.
Conservative Party and labor, 454, 455, 462, 464, 500, 511.
Consolidated Gas Co. of New York, employee ownership in, 183; publicity work, 208.
Conspiracy, common law doctrine of, and the unions, 231, 245, 415, *et seq.*, 425, *et seq.*, 462–463, 465, *et seq.*
Conspiracy and Protection of Property Act of 1875, 462.
Constabulary, state, 11, 418–419, 470.
Constitutionality of labor laws, 471, 476–480, 490, 493n., 530, 545–546.
Constitution of the United States, bearing on labor politics and legis-

lation, 449, 476, *et seq.*, 530, 549–550.
See, also, Constitutionality.
Constitutions of labor unions, 266.
Consumer,
labor problem and, 9–10, 635;
responsibility of, 116–117, 414, 635.
See, also, Co-operation, and Consumers socialism.
Consumers' League, 420, 505.
Consumers' socialism, 596, 607–610, 619, 621, 625, 626 and note, 630–631.
Continuous industries, 93, 95.
Contract, freedom of, 153–154, 321, 471, 488, 548.
Contract Labor Law, of 1885, 33, 498, 546.
Contracts, observance of by unions, 319, 335–343.
Contributory negligence, doctrine of, 127–128.
Convention, the, as an organ of union government, 267, 287–288.
Conveying machinery, 7, 87.
Convict labor, 497, 529.
Cook, A. J., and the Miners' Federation, 302.
Co-operation,
definition, constituency and purpose, 13, 553–557;
endorsements of, 249, 252, 554–555;
history and forms—British, 557–569;
in America, 569–570;
technique, 570–588;
criticisms and relationships, 588–596.
Co-operative Employees, Amalgamated Union of (National Union of Distributive and Allied Workers), 585–588, 593–594.
Co-operative League, 570, 575–576.
Co-operative marketing, nature of, 553.
Co-operative Party, 563–564, 594.
Co-operative Union, 558, 562–563.
Co-operative Wholesale Society, Limited, 558, 559–560, 562, 565, *et seq.*, 579–580, 584.
Cotton Operatives (British), 267–268, 309, 328, 329, 351, 372, 382, 389, 492.
Courts,
labor distrust of, 343, 427–428, 459, 471–473, 479–480;
position of in American system, 449, 477, 479–480.
See, also, Judges.
Craft *vs.* industrial organization, 273, *et seq.*, 283, 287, 302, *et seq.*;
machinery and trade lines, 273–275;
obstacles to closer union, 276–277, 312;
Craft *vs.* industrial organization—*Continued*
bearing upon jurisdiction disputes, 288, *et seq.*;
socialist position as to, 283, 303–304, 614–615;
dues policy and finances as related to, 348, 361;
bearing on labor politics, 490 and note, 530.
Credit facilities and business opportunities, 189–192.
Credit societies, co-operative, 574, 581 and note.
Crime and vice, economic factors in, 216–220.
See, also, Morals.
Criminal Law Amendment Act of 1871, 462, 511.
Crises and depressions,
immigration and, 55–56;
theories of and cyclical unemployment, 73–76;
and the tactics of unions, 242–244, 246, 248, *et seq.*, 300;
and socialist vote, 613.
Crothers, Samuel, cited, 446.
Cyclical unemployment, 73–76, 159.

Daily Herald (London), 299.
Dalton, Hugh, cited, 177.
Damage suits against unions, 463–464, 475–476.
See, also, Conspiracy, and Legal Aspects.
Danbury Hatters' case.
See United Hatters, and Boycotts.
Dangerous trades, 103–133, 398.
Davies, Miss M. Llewelyn, quoted, 557.
Davis, James J., 482.
Davis, Katharine B., cited, 219.
Death and funeral benefits of unions, 392, *et seq.*
Death-rates, by occupations, 79–81, 106 and note, 110–114, 199–200.
Debs, Eugene V., 417, 597n., 614.
De Leon, Daniel, and the Socialist Labor Party, 613.
Demand, factor in unemployment, 58–76.
Democratic Party and labor, 525–526, 528–529.
Dennison Manufacturing Co., regularization plan of, 71–72.
Department of Labor and state bureaus or commissions, labor's influence upon, 481–483.
Departments of the American Federation, 289–290, 294.
Depreciation, speed, and hours, 35, 92.

Detectives and private guards, employers', 10–11, 413, 417, 418, 470.
Detroit,
labor turnover in, 5–6, 334.
Dickey, Carl C., cited, 207, 210.
"Dilution" policy during the War, 352–354, 365, 380.
Direct primary and influence of wealth, 215–216.
Discount theory of wages, 142n.
Diseases, degenerative *v.* infectious, 81 and note;
occupational, 103–108, 119–122, 131–133, 161–162.
Dismissal of college professors, 212, 214–215.
Disraeli, Benjamin, 454.
District of Columbia,
congressional control in, 448n.;
minimum wage decision, 478, 488, 507, 546;
and workmen's compensation, 546.
"Dividends" of co-operative societies, 559, 578–582.
Domestic service, 38, 57.
Domestic system, 27, 35.
Doten, Carroll W., cited, 318.
Douglas, Paul H., cited, 148–149, 150, 164n.
Dovetailing employments, 57–58, 70.
Drafting of bills, 535, 537, 549.
Driving system, 7.
See, also, Speed.
Drury, Dr. H. B., cited, 95n.
Dublin, Louis I., cited, 81n., 104.
Dues, union,
value of high, 270–271, 292, 327;
as a method of restricting membership, 348, 360–361;
"check-off" as a method of collecting, 332.
Dusty trades, 107–108, 119–121, 132–133.

Eastman Kodak Co.,
safety campaign of, 126;
suggestion plan of, 637–638.
Economic interpretation, socialists and, 173–174, 605–606.
Economists and unionism, 318, 433–434.
Education,
inequality in, 202–204;
labor advocacy of, 484–487, 607.
See, also, Academic freedom.
Eight-hour day, fight for, 293–294, 492–493, 496, 546.
See, also, Hours of labor.
Electrical industry, labor-cost in, 4;
accidents in, 113.
Electrical Workers, 435.
Electrification and skill, 66.
Eliot, Charles W., cited, 397.
Elizabethan statutes, 26, 229, 230, 459.
Ely, Richard T., cited, 218–219, 623–624, 626, 628.
Emergency Powers Act of 1920, 465.
See, also, General strike.
Employee ownership in corporations.
See Stock-ownership.
Employer, standpoint of, 4–9, 92–93, 412–413;
responsibility for safety and sanitation, 117–118;
attitude toward unionism, 318–320, 429–431;
advantages to from national organization, 333–334, 338;
opposition to labor legislation, 534–539;
opposition to socialism, 624–625.
Employers' associations,
attitude toward unions, 8–9, 319, 335;
placement bureaus, 54;
and national organization of labor, 265, 329, 333–334.
Employer's liability code, burden of accidents under, 127–128 and note, 137–138.
Employment agencies, public *vs.* private, 53–54, 498.
Employment index, 48–49, 143.
Enclosures in England, 21–22.
Enforcement of labor laws, 492, 500, 535, 537, 539.
Engels, Frederick, 144, 145, 599, 604.
Engineering Union, Amalgamated, 268, 297, 311–313, 314, 329, 351, 353, 376–377, 391, 392 and note, 402, 403.
Engineers, Amalgamated Society of, in America, 239 and note.
See, also, Engineering Union, Amalgamated.
Engineers, Locomotive, 308–309, 395, 438, 575.
Epstein, Dr. A., cited, 100.
Estates probated, as a criterion of wealth-concentration, 175, 178–181, 186–187.
Eugenics, 197–198.
Evans, George Henry, 233, 504, 519.
Evolution, processes of,
biological and industrial compared, 259–260, 605.
Experts and professional aid for unions and co-operatives, 236, 342, 401, 584.
Explosions, coal-mine, 114–115, 125–126, 131.
Explosives, poisons in manufacture of, 107;
"permissibles" in mining, 125.

Fabian socialists, 233, 458, 600, 606, 611, 614, 617, 625, 627.
Factory inspection.
See Enforcement.
Fagan, J. O., cited, 368.
Failures, business, causes of, 190-191.
Fairchild, H. P., cited, 56, 147.
Family allowance plan, 164n.
Family or clan system of labor, 18.
Farmers, and labor politics, 531;
and co-operation, 570–571, 576
Fatigue, nature and extent, 80–81;
and accidents, 118, 121.
Federal Council of Churches, 531.
Federal form of government and labor legislation, 476–477, 530.
"Federal unions" in American Federation of Labor, 285–286, 291.
Federated American Engineering Societies, *Twelve-hour Shift in Industry* cited, 84n., 95n.
Federation as a form of union organization, 272, 277, *et seq.*, 311.
Federation of Organized Trades.
See American Federation of Labor.
Feldman, H., *Regularization of Employment* cited, 72n, 388.
Fellow-servant rule, 128.
Fetter, Frank A., cited, 213, 433.
Feudal society,
origin and structure, 19–20.
Financial control, importance in union government, 269–271, 327, 399.
Firemen and Enginemen, Locomotive, 308–309, 403.
Fire-protection, 123–124.
Fisher, Irving, cited, 80.
Fitch, John A., cited, 88, 148, 414.
Florence, P. S., *Economics of Fatigue and Unrest* cited, 79n.
Flour milling,
capital invested, 42;
overdevelopment and unemployment, 57;
machinery in, 61n.
Ford, Henry, cited, 90n, 164n.
Ford, James, *Co-operation in New England* cited, 572, 573.
Ford Motor Co.,
labor turnover of, 5;
regularization plan of, 71;
wage-policy of, 164.
Foreigners and labor unions, 237–239, 360–361.
France,
land-ownership and population in, 23, 55–56.
Franklin Creamery of Minneapolis, 574, 582n., 585.
Free speech, 204–206, 469, 470, 625.
Friendly Societies Act of 1855, 460.
Full-crew laws, 374, 383, 494–495, 497.
Furuseth, Andrew, and the Seamen's Union, 40, 495, 523–524.

Gang-system, 8, 86, 88.
Gary, E. H., 4, 95, 429.
General Council of the Trades Union Congress,
its origin, composition, powers, and duties, 298–300;
in the "general strike" of May, 1926, 301–302;
efforts at amalgamation, 313.
General Electric Co.,
apprenticeship system of, 66;
safety movement of, 126.
General Federation of Trade Unions (British), 296–298.
General labor unions, 258, 307, 391, 439.
General strike,
and syndicalism, 13–14, 602–603;
so-called, in Great Britain in May, 1926, 9–10 and note, 301–302.
George, Henry, 518, 606, 633.
Germany,
land-ownership and migration in, 22–23;
German immigration to United States, 31;
labor organization in, 262–263.
Gide, Prof. C., *Consumers' Co-operative Societies* cited, 557, 562, 578, 589, 595.
Gladstone, W. E., 454, 513.
Glasier, Bruce, *Meaning of Socialism* cited, 619.
Glass Bottle Blowers Union, 288, 330–331, 355, 361, 377, 386, 389, 502.
Glass industry, machinery in, 59, 60, 288, 355–356, 386, 389;
collective bargaining in bottle industry, 8, 330–331;
speed in, 88;
hours in, 93;
legislative regulation of, 536.
Gompers, Samuel, and the American Federation of Labor, 40, 235, 236n., 281, 284–285, 288, 291, 345, 377–378, 389–390, 429, 434, 470, 503, 516, 518, 520, 521, 523, 524, 525, 527, 528, 529, 545, 547, 614, 624.
Goodrich, Carter, *Miner's Freedom* cited, 66.
Good will as a business asset, 340, 342–343, 430, 463, 468–469, 578.
Gould, Jay, and his fortune, 193.
Governing-branch as a union device, 266.

Government employees, unionism and legislation for, 492–494.
Government, sphere of, 445–446, 533, 632–633, 635–636.
Grange. See Farmers.
Granite-stone industry, 133, 435.
Greek immigration, 30, 32, 34.
Green, William, 502.
Greenbacks, and real wages, 248.
Grievance committee in collective bargaining, 344–345, 368, 380.
Group insurance, 138–139.
Guilds, Handicraft, 20, 24–28, 92.
Guild socialism, 14, 233, 282, 310, 587, 602, 603, 606–607, 619–620.

Hamilton, Dr. Alice, cited, 105, 121, 132.
Hamilton and May, *Control of Wages* cited, 142n.
Hammond, J. L. and B., *Village Labourer* cited, 21; *Town Labourer* cited, 144, 145.
Hardie, Keir, and the Independent Labor Party, 512, 513, 514, 611–612.
Hargreaves' spinning-jenny, 58, 59.
Harris, Dr. Louis I., cited, 201.
Harrison, Frederic, and labor legislation, 461–462.
Hart, Schaffner and Marx, relations with labor, 305, 337, 430.
Hasbach, *Agricultural Labourer* cited, 20.
Hatter's trade, 106, 132.
See, also, United Hatters.
Hays, J. W., cited, 403–404.
Health insurance,
and industrial hygiene, 132;
attitude of organized labor, 499, 501–503, 547.
Healy, Timothy, 502.
Heat, excessive, 108, 121.
"Helpers," organization of, 308.
Henderson, Arthur, 516.
Hewlett, Maurice, cited, 432.
Hicks, George, cited, 376.
Hillman, Sidney, cited, 390.
Hillquit, Morris, *Socialism in Theory and Practice* quoted, 618.
Hobson, J. A., *Economics of Unemployment* quoted, 384;
on "war socialism," 609–610;
Incentives in the New Industrial Order cited, 618.
Hodges, Frank, cited, 114, 272, 373.
Hoffman, Frederick L., cited, 79, 111, 133.
Home Office (British), 132.
See, also, Industrial commissions.
Hospitals, company, and hospital associations, 120, 133–135.

Hours of labor, 91–95;
lighting and, 92;
fixed capital and, 92–93;
in continuous industries, 93–95;
advantages of shorter work-day, 93–95 and note;
in Southern mills, 94;
in the steel industry, 94–95;
legislative regulation of, 94, 47 491–492, 497, 536;
and wages, 160–161;
and output, 371, 383, 385;
as a factor in strikes, 410;
unionism and, 440.
Hourwich, Isaac, cited, 530–531.
House of Lords, reform of, 454, 455.
Housewives' League, boycotts of, 42
Housing,
industrial factors, 80;
effects on health and morals, 200 201, 219–220;
and union restrictions, 362, 374–375
co-operative, 574, 575.
Hoxie, R. F., *Trade Unionism* cite 386.
Huber Bill on unemployment, 73.
Hughes, Thomas, 461, 462, 566, 611.
Huguenots in England and Americ 29–30, 31.
Humanitarian sentiment, as a fact in legislation, 505, 531;
and socialism, 610–612.
Hume, Joseph, 460.
Hunter, Robert, *Poverty* cited, 7 168, 180.
Hutchins, B. L., and Harrison, A *History of Factory Legislatio* cited, 489.
Hyndman, H. M., and the Soci Democratic Federation, 613.

Imitation, as a factor in unionism 237–240, 524;
in legislation, 477, 500, 505–506.
Immigration,
as a source of wage-earning clas 28–35;
statistics, 28, 33–35;
"new" and "old", 28n., 31, 33;
quota laws, 28n, 34, 498, 546;
in Europe, 28–30;
causes, 31–33;
age, sex, and occupational distribu tion, 33–35;
influence on American labor, 34–3
influence on birth-rates, 55–56;
and unemployment, 55–56;
restriction of, favored by labor, 5 497–498;
and skill, 64;

Immigration—*Continued*
and wages, 153, 156;
and unionism, 237–240, 432;
and co-operation, 570, 573, 575, 585;
and socialism, 610, 624.
Immigration Commission of 1910, *Report* cited, 34, 64, 162, 168.
Incentives. See Psychological aspects, and Wage-payment.
Income-tax statistics as a criterion of wealth-concentration, 172, 175–178.
Incorporation of labor unions, question of, 336, 342–343, 461, 463–464, 476.
Independent Labor Party, 458, 512, 542, 600, 614.
"Index number" wage, 341 and note.
Industrial accidents.
See Accidents.
Industrial commissions as administrative organs, 549.
See, also, Home Office.
Industrial Conference of 1919 and collective bargaining, 319–320.
Industrial Conference of 1920, plan for industrial councils, 324.
Industrial Congress and Industrial Brotherhood (1873–1875), 250–251.
Industrial Council of the British Board of Trade cited on observance of contracts, 335, 337, 343n.
Industrial Disputes Act of 1906, 464–465.
Industrial education,
public and, 10;
and apprenticeship, 356–357;
American Federation and, 457, 485.
Industrial federation, 309–311, 340.
Industrial Revolution, causes, dates, and significance, 14–16, 27, 55, 540.
Industrial unionism,
See Craft *vs.* industrial.
Industrial Workers of the World, 13, 283, 303, 304n., 614.
Infant mortality and wages, 200–201.
Inheritance and inequality, 174;
tax on, 622 and note, 633, 636.
Initiation fees of unions, 348, 360–361.
Initiative and referendum, labor support of, 481.
Injunctions in labor disputes, 467, 471–475.
Insurance companies, and dangerous trades, 79–80, 112, 128–129, 131–132.
Insurance Act of 1911, National,
and union membership, 243, 297, 437;
effect on union insurance features, 391, 402, 440–441, 503;
attitude of labor toward, 501.
Insurance features of unions.
See Benefit features.
"Intellectuals" as leaders, 232–234, 247, 606–607, 619.
International organization of labor, 271–273;
miners' congresses, 272;
International Federation of Trade Unions, 271n., 297–298.
International Paper Co. and the unions, 335, 439.
Interstate competition and labor legislation, 476–477, 534, 536, 537, 539.
Irish, in British industries, 30;
immigration to United States, 32.
Iron Molders, 291, 330, 355, 358, 369, 370, 374, 377, 392, 394–395, 438, 491.
Iron, Steel and Tin Workers, Amalgamated Association of, 307–308.
Italian immigration, 30, 32, 34, 55.

Journeymen, under guild system, 24–28;
associations of as first unions, 229, 230, 241, 257.
Judges,
election of, 473, 480;
education of, 480.
See, also, Courts.
"Junta, The," 234–235, 244, 282, 295, 391, 461, 510.
Jurisdiction disputes among unions, grounds for, 253, 275;
efforts of the American Federation of Labor to settle, 254, 256, 286, *et seq;*
and the Trades Union Congress, 296, 299–301.
See, also, Structure.
Jury trial for contempt, 471, 473.

Kansas Court of Industrial Relations, 10, 415, 466.
Kaulback, John G., and the New England Protective Union, 571–572.
Kelley, Mrs. Florence, cited, 489.
Kennedy, J. B., *Beneficiary Features of American Trade Unions* cited, 401, 403.
King, W. I., *Wealth and Income* cited, 146, 147, 178–179, 186.
King, Dr. William, and co-operation, 560–561.
Kirkaldy, A. W., *British Labour* quoted, 373n.
Kirkup, Thomas, *Inquiry into Socialism* quoted, 617.
Kneeland, George, cited, 219.

Knights of Labor,
origin and growth of, 251–252;
defects of structure and policy, 252–253;
use of boycott by, 422;
political activities of, 451, 458, 518;
endorse co-operation, 249, 252, 554.
Knights of St. Crispin in the shoe industry, 265, 373.

Labor Bureau, Inc., cited, 167.
Labor-cost,
in different industries, 4–5;
and elasticity of demand, 62;
and the sliding-scale wage, 341–342.
Labor legislation,
importance from public standpoint, 11, 539–543;
extent of, 446 and note, 457, 533;
measures classified, 457–458;
upholding unionism, 458–476;
constitutional limitations, 476–480;
and public education, 485–487;
supplementary or regulatory, 488–507;
enforcement of, 492, 500, 535, 537, 539, 546;
general appraisal of, 533–550.
Labor papers, 211, 291, 299, 417, 422, 424, 432, 441, 563 and note, 597n.
Labor Party (British),
origin of, 295, 464, 509, *et seq.*;
and woman's suffrage, 456;
composition of, 458, 512–516;
program of, 486, 494, 498–499, 514–516, 600, 601;
influence, 542.
Labor politics, 13;
influence of business conditions on, 242, *et seq.*;
in the Jacksonian epoch, 245–246;
the Trades Union Congress and, 295, 300;
winning the suffrage, 445–456;
importance of politics and legislation, 445–446;
measures classified, 457–458;
upholding unionism, 458–476, 490;
constitutional obstacles, 476–480;
participating in government, 480–484;
educational program, 485–487;
supplementary legislation, 488–507;
labor party *vs.* non-partisan method, 508–532;
value of, 538–550, 629.
Labor Representation League (British), 510–511.

Labor supply,
as a factor in unemployment, 54
59;
and wages, 152–153.
Labor theory of value, Marx an
600, 605, 630.
Labor turnover, 5–6, 88, 99, 139, 33
Ladies' Garment Workers Union, In
ternational, 305, 418, 575.
La Follette campaign of 1924, 48
495, 521, 526–527, 529, 531, 615.
Laidler, Harry, *Boycotts and th
Labor Struggle* cited, 421n., 428n.
Laissez faire policy, 204, 209, 241, 24
452, 491, 533.
Land and land-ownership,
relation to labor problem, 20–2
41, 62–63, 607, 628;
enclosures and rural exodus, 21–22
and immigration, 31–33;
and the trend of wages, 151, 156
157;
in Great Britain, 181;
unearned increment, 192–194.
Lathers' Union, 370, 375.
Law, its origin and purpose, 540, 549
550.
See, also, Government.
Lead and lead-poisoning, 104–10
106, 107, 120–122, 132–133, 162.
Leaders, labor, 17–18, 40, 231–23
378, 606–607, 619.
League for Industrial Democracy, 61
League for Industrial Rights, 8–9.
Leather industry,
labor turnover in, 6;
hazards in, 107.
Lee, Elisha, quoted, 368–369.
Legal aspects of labor movement, 41
et seq., 425, *et seq.*, 458–459, 462
464, 465, *et seq.*
See, also, Courts, and Constitution
ality.
Leisure, value and use of, 83–84 an
note, 90, 91–92, 201–202, 536.
Levasseur, Emile, cited, 63, 150.
Lewis, John, and the United Mi
Workers, 339, 377.
Liberal Party and labor, 454, 45
462, 464, 483, 510, 511, 513–516 an
note, 598.
Liberty and Property Defens
League, 9.
Lighting, factory, 92, 108, 123.
Lincoln, President, favoring imm
gration, 33.
Linotype, and the printers, 372, 37
377, 383, 386.
Lithographic industry, unionism i
439.
Littlefield, Representative Charle
and the A. F. of L., 520, 524.

Lloyd, G. I. H., *The Cutlery Trades* quoted, 372.
Lloyd George, David,
and land problem, 181;
and dilution policy, 352–354;
and nationalization of mines, 447, 609;
and social insurance legislation, 501.
Lobbying, and labor politics, 295, 447, 448, 511, 523–524, 527.
"Local unions" in American Federation of Labor, 285–286, 291.
Lockouts, 407, 411n.
See, also, Strikes.
Lombroso, *Crime* cited, 217, 218.
London, Meyer, 503.
Longshoremen, 53, 69, 159, 304–305, 355.
Lovett, William, and Chartism, 453.
Lumber industry,
labor turnover in, 6.
"Lump-of-labor" idea, 59, 385, 387–388.
Lunchrooms in factories, 121, 133.
Lynch, James M., cited, 400–401, 502.

McCabe, D. A., quoted, 370.
Macassey, Lynden, cited, 363.
Macdonald, Alexander, 462, 510, 511.
MacDonald, J. Ramsey, and the British Labor Ministry, 498–499, 501, 506, 513, 604, 614, 616, 617, 619–620.
Machinery,
and unemployment, 58–69;
and skill, 63–69, 159–161;
and speed, 85–88;
and noise, 90–91;
and wages, 144–145, 150–152;
restriction of output and, 371–375, 385–386, 389–390.
Machinists, 66, 88, 237, 275, 288, 294, 308, 359 and note, 369, 374, 375, 437, 439.
McNeill, George, 419, 481.
Mallock, W. H., 624, 627.
Malnutrition, 200–201.
Malthusian law of population, 55, 318.
Management, functions and importance, 41, 151, 187–189, 636–639;
union interference with, 364, *et seq.*, 371–372;
under co-operation, 582–588, 591–592;
under socialism, 622, 629.
Mann, Horace, 484.
Market phase of unemployment, 52–54.
Marriage, socialism and, 598, 601.
Married women in industry, 38.
Marshall, Alfred, cited, 42, 387.
Marx, Karl, 63, 145, 599, 600, 604, 605–606, 616, 630.
Massachusetts,
unemployment statistics, 48, 50;
wage statistics, 143, 146;
minimum wage law and commission, 167–168, 169–170, 505–507;
probate figures, 178–179, 186;
suffrage in, 450–451;
court decisions on strikes and boycotts, 465–466;
imitation of by other states, 477, 505–506.
Massachusetts Commission on Old Age Pensions, *Report* cited, 99–100.
Master and Servant Law (British), 510, 511.
Maxwell, Sir William, and the Scottish Wholesale Society, 568, 583.
Mayo-Smith, R., cited, 146, 178, 181.
Meat Cutters, 435, 439 and note.
Mechanic's lien, 504.
Membership requirements of unions. See Admission, and Union shop.
Mercantilism and migration of craftsmen, 29–30.
Merchant-manufacturer, under domestic system, 26–27 and note.
Metal mining,
accident-rate in, 114, 125.
Metal trades,
labor turnover, 6;
women in, 37;
machinery in, 66, 275;
age of workmen in, 82;
unionism in, 275, 308, 375, 435.
See, also, Machinists.
Metal Trades Department of the American Federation of Labor, 290, 294.
Meyer, E. C., *Nominating Systems* quoted, 216.
Middleman *vs.* consumer, 556, 560, 568–569, 570, 573, 576, 592–593, 607.
Mill, John Stuart, cited, 80, 387, 555.
Millinery trade,
wages in, 169–170.
Millionaires, 175–181.
Milwaukee, socialist régime, in, 598, 629.
Mine, Mill, and Smelter Workmen, 304, 374.
Miners' Federation (British), 9–10, 268, 270, 272, 277–278, 298, 301, 302, 310, 329, 351, 353, 391, 496, 506.
Mines Regulation Acts (British), 491, 496, 546, 548–549.
Minimum wage laws,
estimates and decisions of boards, 167–168;
moral phase of, 218–220;
constitutionality of, 478, 488, 507, 546;

Minimum wage laws—*Continued*
attitude of labor toward, 505–507, 547.
Mining Department of the American Federation of Labor, 290.
Ministry of Labor (British), 483.
Mitchel, John, and the United Mine Workers of America, 40, 235, 291, 339, 377, 417, 434.
Mitchell, J. T. W., and co-operation, 565, 583.
Mitchell, W. C., *Business Cycles* cited, 75;
History of the Greenbacks cited, 248–249.
"Money trust," 191–193.
Monotony and overstrain, 89–90.
Monthly Labor Review, 342, 483.
Moore, H. L., *Laws of Wages* cited, 149n.
Morals, and overstrain, 83–84 and note;
and social classes, 216–220;
and wages, 165–166, 219–220;
commercialized press and, 208–211.
Morgan, J. P., and his fortune, 191, 192.
Morris, William, 604, 607, 616.
Morrison, Frank, Secretary of the American Federation of Labor, cited, 255, 257, 286, 291.
Motley, J. M., *Apprenticeship in American Trade Unions*, cited, 354, 355.
Municipal ownership, 608–609, 621.
Mussolini and Italian population problem, 32.
Mutual benefit associations, 134–138.

National Association of Manufacturers, 8, 336, 469.
National Civic Federation, 502, 624.
National Erectors' Association, 8, 319.
National Founders' Association, 8, 319, 374, 439.
National Industrial Conference Board cited, 95n., 135, 148, 324, 334–336, 337.
Nationalization, 437, 447, 607–610, 620.
National Labor Union (1866–1872), 250, 280, 451, 492, 518.
National Metal Trades' Association, 8, 319.
National organization of unions,
rise of, 247, 248, *et seq.*, 260, *et seq.*, 286;
advantages to employer, 333–334, 338;
and control of financial and insurance features, 392–393, 399.
Neale, Vansittart, 562, 566.
Nearing, Scott, *Financing a Wage-earner's Family* cited, 167.
Negroes,
northern migrations, 24;
and the unions, 359–360;
disfranchisement of, 451.
New England Workingmen's Association, 247.
Newspaper business, 206–211;
capital involved in, 207;
advertising and, 207, 208, 209n., 210;
consolidation in, 207–208;
moral influence of, 208–209, 211;
class bias in, 209–211;
code of ethics for, 210.
Newspaper Publishers Association, 8, 265, 330.
"New unionism," 244, 304–305, 391, 397, 512.
New York,
employment index, 49–50;
accident-rates in, 112, 113, 130;
suffrage in, 450–451.
New York Factory Investigating Commission, *Report* cited, 167, 169, 491.
New York *Times*, 210.
Noise and overstrain, 90–91.
Non-partisan method in politics, 462, 509–512, 513–515, 516, *et seq.*, 530–531.
See, also, Labor Party.
Non-union man, position and motives of, 347, 378.
See, also, Strikebreakers.
Northcliffe, Lord, 208, 272.

O'Connor, Feargus, and Chartism, 233, 453.
Occupational diseases.
See Diseases.
Officers, of labor unions,
powers and duties of, 267–270, 326;
salaries of, 235–236 and notes;
of co-operative societies, 583–585.
Ogburn, W. F., cited, 167.
Ohio,
occupational diseases in, 106;
accident-rate in, 112 and note.
Olds, Marshall, *High Cost of Strikes* cited, 408.
One-day-of-rest-in-seven, 92, 94–95.
"Open shop," definition and purpose, 319.
Opportunity,
inequality of, as a cause of unrest, 40–43, 172–174, 187–188, 196–220;
democratic ideal as to, 196–198;

Opportunity—*Continued*
the physical handicap of the poor, 199–202;
educational inequality, 202–204;
infringements on civil liberty, 204–206;
commercialized press and, 206–211;
academic freedom and, 211–215;
inequality of in politics, 215–216;
class divisions and morals, 216–220.
Organization,
importance of, 225, 434, *et seq.*, 577;
work of unions and American Federation, 236–237, 285–286;
of women and unskilled labor, 237, 238–239, 242, 245, 285–286, 303–304, 306, *et seq.*, 437, 438;
need of in politics, 508–509, 527, 545–547.
See, also, Unionism.
Organizers, employed by unions, 236–237, 280, 285–286.
Osborne judgment, 465, 477n., 515.
Outlaw strikes and union structure, 338–340.
Out-of-work pay by unions, 392, *et seq.*, 399, 401–402, 440.
Overexpansion and unemployment, 57, 69.
Overstrain, 77–102;
prevalence of, and effects, 80–84, 199;
factors producing, 84–95;
as a factor in restriction of output, 383.
Overtime, 371, 385.
Owen, Robert, 93–94, 233, 535, 556, 560, 561, 599, 602, 604, 611, 615–616, 619.
Owens glass bottle machine, 59, 60, 288, 355–356, 386, 389.

Pace-makers, 87, 88, 369–371, 382–383.
Painter's trade, 103, 104–105, 120, 122.
Painters, Brotherhood of, 369, 371, 374.
Parasitic industries, 165, 169.
Parliamentary Committee of the Trades Union Congress, 295, 298, 511.
See, also, General Council.
Party rivalry, value of.
See Politicians.
Pennsylvania,
accident-rates in, 109, 111–112, 130;
civil liberty in, 206;
mining statutes, 491, 497, 504–505.
Pennsylvania Railroad,
pension plan, 97;
employee representation plan, 324.
Pension systems,
corporation, 7–8, 95–102;
trade union, 392, 394, 395 and note, 397, 440;
governmental, 501, 502.
Personnel, union restrictions on, 364–369.
Phosphorus poisoning, 122, 132, 161.
Photo-engravers, 361.
Physical examinations, 119–120, 133.
Picketing, 206, 416, 417–418, 465, 466–467.
Piece-wages, and speed, 8, 86–89;
objections of organized labor to, 369–371, 382–383.
Pigou, A. C., *Essays in Applied Economics* cited, 147n.
Place, Francis, and the repeal of the Combination Acts, 231, 233, 459–460.
Plasterers, 275, 375.
Plumbers and Steamfitters, 289, 375, 438.
Plumb plan, 14, 437.
Plunkett, Sir Horace, and Irish agriculture, 32.
Poisons, industrial, 104–108, 120–122, 132–133.
Police.
See Boston police strike, Detectives and Constabulary.
Police power, 445, 478.
Political equality, fiction of, 17, 215–216, 446.
Politicians, function of, 445–448, 450, 454, 462, 464, 508, 512, 517, 519, 531–532.
Politics.
See Labor politics.
Population,
and Industrial Revolution, 15, 55, 155;
and immigration, 55–56, 156.
See, also, Labor supply.
Post office employees.
See Government employees.
Potteries, lead-poisoning in, 105–106, 120–122, 132–133;
wages in, 162.
Poverty, and sickness, 77–80;
extent of, 180;
and crime and vice, 216–220.
Powderly, Terence V., and the Knights of Labor, 249, 251–253, 481.
Premium-wage and strikes, 414.
Press, commercialized, 206–211.
See, also, Newspaper business.
Preventability of accidents and diseases, 115–132.
Pre-War Practices Act of 1919, 353–354.

Price-fluctuations, and industrial unrest, 142, 154–155;
and the growth and policies of unions, 240, 242–258;
"index-number wage" and, 341 and note.
Price-policy of co-operative societies, 580–581.
Printers' Home, 393, 395.
Printing and Kindred Trades Federation (British), 262, 310.
Printing trade,
diseases in, 107, 133;
collective bargaining in, 330, 339–340, 342, 389.
See, also, Typographical Union.
Priority rule in the printing trades, 367, 381.
Private enterprise, survival of,
under co-operation, 589–590;
under socialism, 608, 617–618, 626, 627.
Procter and Gamble,
regularization plan of, 71–72.
"Producers' co-operation," failure of 553–554, 564–566.
Production indices, 149–150 and note.
Productive enterprises of co-operative societies, 564, *et seq.*
Productivity theory of wages, 141–142, 149.
Profiteering, 147–148, 610;
as a motive for restriction of output, 380.
Profits, sources of, 103, 117, 187–194, 333–334, 380, 432, 538, 556, 560, 578, 607, 609–610, 627.
Profit-sharing, 7, 185.
Prohibition and the non-partisan method, 519.
Promotion,
chances for, 41–43;
and pension systems, 99;
the seniority and priority rules, 366–369;
favoritism and the spoils system in, 380–381;
importance of, 638.
Propaganda, as a factor in union organization, 236–237.
Property incomes, ratio to labor incomes, 176–177.
Property qualification for voting and office holding, 215–216, 449–451, 452, *et seq.*
Prostitution, economic causes of, 218–220.
Psychological aspects of labor problem, 89–90, 171–173, 196–198, 228–229, 378, 384, 590–591, 606, 622–623, 636–638.
Public health and collectivism, 607, 608, 628, 634.
Publicity,
by corporations, 208;
by co-operative societies, 584
Public interest in the labor problem, 9–12, 413, *et seq.*, 431–434, 468, 592, *et seq.*, 607, *et seq.*, 625–630.
Public officials and strikes, 11, 413–414.
Public opinion, power of, 9–10, 410, 415, 419, 461, 465, 468, 490, 494, 539, 541, 629, 636.
Public work and unemployment, 498.
Pullman Car Co., prevention of lead-poisoning, 122.
Pullman strike and boycott of 1894, 417, 424, 472.

Quarrying, accidents in, 114.
Quota laws for immigration, 28n., 34, 153, 163, 498, 546.

Railroad Brotherhoods,
and American Federation, 284;
collective agreements of, 330, 339;
admission to, 355, 359;
schedules of, 365–366;
insurance features, 395–397;
and Plumb Plan, 437.
Railroad Labor Board, 169, 415.
Railway Employees Department of the American Federation of Labor, 290, 294.
Railway industry,
labor cost in, 4;
capital invested, 42;
hours of labor, 93;
pension plans, 96–98;
accident-rate in, 112, 124, 126;
relief departments, 135–137;
stock-ownership in, 183;
and court action in labor disputes, 468;
legislative regulation of working conditions, 494–495;
government operation during War, 609–610, 629.
Railwaymen, National Union of (British), 268, 311–313, 314.
Ramazzini, on occupational diseases, 103.
Rathbone, Eleanor, cited, 164n.
Raw materials, rising cost of, 62, 157.
Recognition as primary union demand, 327, 410.
Redfern, Percy, History of C. W. S. cited, 564.
Redistribution of wealth, 194–195.

Reform Acts. See Suffrage.
Regal Shoe Co., standardization plan of, 71.
Regularization of employment, 71–73, 388, 638.
Relief associations.
See Mutual benefit associations.
Religion, and socialism.
See Christian Socialists.
Research department of C. W. S., 592.
Residence requirements for voting, 452, 455, 456.
Respirators, 121.
Restriction of output, 362–390;
charges made regarding, 362–364;
definition and forms, 364–375;
replies of labor leaders, 375–378;
motives and palliations for, 378–387;
remedies for, 387–390.
Retaliation as a motive for restriction of output, 379–380.
Revisionists, 600 and note, 607.
Revolution, when deemed justifiable, 447, 453, 602–603.
See, also, Violence.
Rhode Island, suffrage in, 450–451, 452.
Ricardian socialists and Marx, 605 and note, 616.
Rittenhouse, Dr. E. E., cited, 81n.
Rochdale pioneers and plan, 561, 577–582.
Rock dust and coal-mine explosions, 125–126, 131.
Rogers, Thorold, *Work and Wages* cited, 144.
Roosevelt, Theodore, cited, 201, 389, 598n., 633.
Ross, Dr. E. A., *Changing America* cited, 209;
Russia Soviet Republic cited, 625.
Rowntree, B. S., *Poverty* cited, 168, 180.
Rubber goods industry,
labor turnover, 6;
diseases in, 106 and note.
Rubinow, I. M., cited, 147.
Rural exodus, causes of, 22–24.
Ruskin, John, quoted, 115, 607.
Ryan, John, *Living Wage* cited, 167.

Sabotage, 13–14, 379, 603.
Safety devices, 124.
Safety movement, 111, 117–119, 123–131.
Saint Simon, 611, 615, 622n.
Salaries, of union officers, 235–236 and note;
in the co-operative movement, 563, 583, 585 and note.
Sargent, Dr. Dudley A., cited, 199n.
Saturday half-holiday, 92, 95n., 493.
Scandinavian immigration, 31–32.
Schäffle, Dr. Albert, *Quintessence of Socialism* quoted, 603.
School, reasons for leaving, 202–203 and note.
Schools, public *vs.* private, 203–204, 215, 484–487;
lunchrooms in, 487n.
See, also, Education.
Schwab, Charles M., cited, 188.
Scientific Management, 8, 85–86, 87, 151n.;
attitude of organized labor toward, 375, 386–387, 390, 493.
Scottish Wholesale Society, 558, 559–560, 562, 568–569, 579–580.
Seamen, 304, 355, 495, 505, 546.
Seasonal unemployment, 69–73;
wages and, 70–71, 158–159;
strikes and, 412.
Self-governing workshops.
See Producers' co-operation.
Seligman, E. R. A., cited, 214, 433–434.
Seniority rule on the railroads, 367–369, 380–381, 385, 387.
Serfdom, 19, 20.
Shaftesbury, Lord (Lord Ashley), 452, 491, 535.
Shaw, George Bernard, 174n., 604.
Sheet-metal Workers, 287–288.
Sheffield cutlery trades, 263, 351, 372 and note.
Sherman Anti-Trust Law and the unions, 466, 474n., 475–476, 524.
See, also, Clayton Act.
Shipyard workers, 370, 380.
Shop, as a unit organization, 261.
Shop-committee plans,
employers' attitude as to, 8, 319–320, 322–325;
and the unions, 325–327;
functions and value of, 324–325, 327, 639.
Shopmen's strike, 294, 306–307, 472.
Sick benefits of unions, 392, *et seq.*, 401.
Sickness, and poverty, 77–79;
cost of, 79;
death-rates by occupation, 79–81.
Silvester, Sir John ("Bloody Black Jack"), and Combination Acts, 231, 459.
Skill,
employer's effort to eliminate, 7;
slavery and, 18–19;
under guild system, 24, 27;
machinery and, 47–48, 63–69;
and wages, 144–145, 150–152;
and form of organization, 274–275,

Skill—*Continued*
303–304, 306, *et. seq.;*
and dilution policy, 352–354;
and apprenticeship, 355.
Slaughtering and meat packing industry, labor-cost in, 4;
labor turnover in, 6;
seasonal unemployment in, 70;
organization in, 435, 439 and note.
Slavery, 18–19.
Sliding-scale wage, 341–342.
Slosson, P. W., *Decline of the Chartist Movement,* quoted, 454.
Smith, Adam, *Wealth of Nations* cited, 158, 159.
Snowden, Philip, 516, 617.
Social Democratic Federation (British Socialist Party), 514, 600, 613.
Social heritage, importance of, 197–198.
Socialism,
defined, 13, 597–604;
theory of crises, 73–74, 76;
theory of increasing misery and concentration of wealth, 145, 173–174, 605–606;
and restriction of output, 378–379;
and the co-operative movement, 554, 556–557, 581, 588, 594–596; 619–620, 621;
evolution and elements, 604–615;
ways and means, 615–623;
strength and weakness, 598, 623–633.
Socialist parties, 599–600, 612–615.
Socialists, and the unions, 244, 283, 303–304, 429, 522, 600, 613–615, 631–632.
Socialist Trades and Labor Alliance, 303, 613–614 and note.
Southern States, cotton mills in, 15, 24, 65–66, 94, 536.
Sovereigns of Industry and co-operation, 572.
Spahr, Charles B., *Present Distribution of Wealth* cited, 178.
Spargo, John, quoted, 611.
Speed, 84–89;
and fixed charges, 85;
methods of securing, 85–89;
glass industry, 88;
steel industry, 88–89;
and accidents, 118, 129–130.
See, also, Restriction of output.
Spies, labor, 205–206, 343.
Squier, L. W., *Old Age Dependency* cited, 100.
Standard of living and wages, 155, 161, 163–170, 432–433.
State federations of labor, 523.
Status, régime of, 18, 39, 43.
Steel industry,
labor-cost in, 4–5;
immigrants in, 34–35;
capital invested in, 42;
machinery and number employed, 61n.;
age of workmen in, 82;
speed in, 88, 89;
twelve-hour shift in, 93–95;
accident-rate in, 112–113, 123, 126, 130–131;
wages in, 163, 168–169.
Steel strike of 1919, 206, 210, 237, 307, 399, 408, 411–412, 415, 439.
Stelzle, Charles, cited, 84n.
Stevens, Uriah, founder of the Knights of Labor, 251.
Stock-ownership as a criterion of wealth concentration, 41–43, 182–186.
Stone Cutters, 369, 370, 374.
Stone, Warren S., and the Locomotive Engineers, 40, 502.
Stove Founders' National Defense Association, 8, 330.
Stove-founding industry,
unionism and collective agreements in, 264–265, 330, 344.
Street Railway Employees, Amalgamated Association of, 358, 374.
Streightoff, F., *Standard of Living* cited, 167, 168.
Strikebreakers,
volunteers in British "general strike," 10n.
pensioners as, 99, 101;
position and motives of, 347, 384, 416;
employer and, 413, 416;
advertisements for, 417, 470.
Strike-pay by unions, 391, 392, 399, 412.
Strikes,
and the public, 9–11, 413, *et seq.;*
pension systems and, 99, 101;
causes, 141, 245, *et seq.,* 410–411;
definition and importance, 405–406;
statistics of, 406–408;
costs and results, 408, *et seq.;*
employer's position in, 412–413;
legal aspects of, 415–419;
boycotts and, 421.
Structural Iron Workers,
accidents of, 113;
admission requirements, 355;
steel manufacturers and, 420.
Structure and government of unions, Knights of Labor, 251–253;
definition and importance, 259–260;
national *vs.* local, 260–271;
international relationships, 271–273;
industrial relationships, 273–315;

Structure and government of unions —*Continued*
local federations, 279–283;
general or national federations, 283–302;
types of industrial organization, 302–313;
conclusion as to, 313–315;
as related to boycotts, 426.
See, also, Financial control.
Style and seasonal unemployment, 69–70, 71.
Subsistence theory of wages, 142.
Substitution as a preventive measure for disease and accidents, 120, 122, 133.
Suffrage,
importance of, 446–449;
history of, 449–456;
See, also, Woman's suffrage.
Superannuation,
age-limits in industry, 81–83;
pension systems as remedy for, 95–102.
Sweated industries.
See Minimum wage.
Sylvis, William H., and the National Labor Union, 235, 249–250 and note, 482.
Sympathetic strikes, 277, 466.
See, also, General strike.
Syndicalism, 13–14 and note, 447, 468, 469, 599, 602–603.

Taff Vale judgment, 463–465, 475 and note.
Taft, Chief Justice W. H., cited, 417n., 475.
Taussig, F. W., *Principles of Economics* cited, 74, 142n., 181, 186–187 and note, 433;
Some Aspects of the Tariff Question cited, 364.
Tax-payment as requirement for voting, 451, 455.
Taylor, Frederick W., 8, 151n., 241.
Tead, Ordway, *Instincts in Industry* cited, 196.
Telegraphers, Railroad, 435.
Telephone industry,
speed in, 87;
pensions in, 96, 97, 100;
stockholders in, 183.
Textbooks, free, 202, 485.
Textile industry,
labor-cost in, 4;
immigrants in, 34;
women in, 38–39;
capital invested, 42;
machinery and skill in, 65–66;
speed in, 87;
Textile industry—*Continued*
hours and output, 95n.;
diseases in, 106 and note, 119–120
unionism in, 355, 374.
Thomas, Harry, cited, 240.
Thomas, J. H., 302, 376.
Thomas, Norman, 608n.
Thompson, William, 604, 605 and note.
Thrift, gospel of, 624, 635.
See, also, Stock-ownership.
Tillett, Ben, 512.
Tobacco industry,
women in, 39;
machinery in, 59–60, 66.
See, also, Cigarmakers.
Trade boards (British), 170, 505–506, 549.
See, also, Minimum wage.
Trades councils (British), 279–283.
See, also, Central Labor unions.
Trades Disputes Act of 1906, 422.
Trades Union Congress,
membership of affiliated unions, 244n.;
and the trades councils, 282–283;
origin and purpose, 295;
criticism of, 295–296, 300–302;
and the Labor Party, 295;
and the General Federation of Trade Unions, 296–298;
General Council of, 298–302;
and the "general strike" of May, 1926, 301–302;
political activities, 500, 506, 511, 512–513;
and co-operation, 554, 587.
Trade Union Act of 1876, 462.
Transfer of members by unions, 262, 315.
Transport and General Workers Union (British), 310–311.
Triple Alliance and the miners' strike of 1921, 277–278, 311.
Truck System.
See Company stores.
Trusts, and unions, 329, 425, 438–439;
and co-operative societies, 568–569;
socialism and, 606, 607, 616, 631.
Tuberculosis, as an occupational disease, 106 and note, 107, 133.
Twelve-hour shift, 84n., 93–95.
Typographical Union, International, 248, 254, 264, 265, 267, 268, 270, 293, 294, 330, 339–340, 356, 358, 367, 369, 371, 373, 375, 377, 381, 383, 386, 389, 393, 395, 397, 403–404, 423, 424, 425, 438, 502.

Underconsumption theory of crises, 73–74, 76.

Underwriting, fees for, 191.
Unearned incomes, 171–174, 176–177, 189–194.
Unearned increment, 193–194.
Unemployment, 47–76;
  definition, 48;
  character and extent, 47–51;
  causes and forms, 51–76;
  regularization, 71–73;
  employment insurance, 71–73;
  and wages, 158–159, 436;
  and restrictive policies of unions, 383–387, 388;
  out-of-work pay by unions, 392, *et seq.*, 399, 401–402, 440.
Unemployment insurance,
  British, 51, 402;
  in clothing industry, 72;
  effect upon regularization, 72–73;
  Huber Bill in Wisconsin, 73;
  anticipated by John Stuart Mill, 387.
Unionism,
  definition and purpose, 13, 225–227;
  opposition to group insurance and mutual benefit associations, 136, 138;
  and the trend of wages, 141, 155–156;
  spontaneity of, 227–231;
  leadership of, 231–236;
  propaganda as a factor in growth of, 236–237;
  defensive character of, 240–258;
  statistics of, 243–244, 255–257, 437–438;
  structure and government, 259–315;
  policies and methods classified, 316;
  and shop committees, 322–327;
  value and limitations, 306–307, 316–317, 332–333, 429–442;
  collective bargaining through, 316–343;
  membership requirements, 344–361;
  restriction of output, 362–390;
  benefit features, 391–404;
  strikes and boycotts, 405–428;
  legal aspects of. See Conspiracy, and Legal aspects.
Union label, 290, 291, 420, *et seq.*
Union Label Trades Department of the American Federation of Labor, 290, 291, 423.
Union Labor Life Insurance Co., 138, 396.
Union Labor Party of San Francisco, 541.
Unions and co-operation, 249, 252, 436, 554, 573, 585–588, 593–594.
Unions and politics.
  See Labor politics.
Unions and socialism, 429, 436–437, 503, 522, 614–615.
Union shop, definition and reasons for, 344–347, 380–381.
United Garment Workers, 287, 305, 424.
United Hatters,
  boycott case of, 291, 422, 424, 467, 475.
United Mine Workers of America, 236n., 237, 239, 265, 268, 274, 304, 314, 331–333, 339, 355, 366, 381, 437, 438, 554.
United Shoe Machinery Co., leasing system of, 190n.
United States Steel Corporation, 88–89, 97, 126, 136, 191, 259, 307, 439.
Unwin, George, *Industrial Organization in the 16th and 17th Centuries*, quoted, 27-28, 229-230.
Utopian Socialists, 602, 605, 611, 615–616.
  See, also, Owen.

Vail, Theodore N., on pension systems, 100.
Veiller, Lawrence, cited, 217, 219.
Ventilation in factories, 108, 120–121, 132–133.
Vernon, Dr. H. M., *Industrial Fatigue and Efficiency* cited, 95n.
Vested rights, doctrine of,
  influence of on union tactics, 241, 350, 383–387.
Violence in labor disputes, 10–11, 58–59, 145, 173, 218, 317, 372, 415, *et seq.*, 453, 460, 461.
Voting privilege, in corporations, 186;
  in co-operative societies, 579–580.

Wage-determination, factors in, 142n;
  "index-number wage," 341 and note;
  sliding-scale wage system, 341–342.
Wage-payment, methods of,
  and speed, 8, 86–89;
  under individual bargaining, 321–322;
  union restrictions on, 369–371, 382–383;
  legislative regulation of, 503–505.
  See, also, Company store.
Wages,
  in different countries, 53, 156;
  and seasonal unemployment, 70–71, 158–159;
  and ages of workmen, 82;
  and pensions, 101–102;

Wages—*Continued*
in dangerous trades, 140, 159–163;
as a factor in strikes, 141, 245, 246, 247, 410–411;
theories of, 141–142;
history and statistics, 142–150;
and other shares in distribution, 149–158;
and hours of labor, 160–161;
"economy of high wages," 163–164;
family allowance plan, 164n.;
and morals, 165, 218–220;
in women's trades, 169–170;
and infant mortality, 200–201;
legislative regulation, 478, 488, 503–507.
See, also, Minimum wage.
Wages-fund theory, 142n, 171 and note.
Wage-system,
antiquity of, 19–20;
socialism and, 141, 630–632;
under co-operation, 593–594.
See, also, Wages, and Wage-working class.
Wage-working class,
ancient and mediaeval, 19–20;
origin and sources, 17–43, 64–65;
relative permanency, 39–43.
"Waiting-list" as a union demand, 366, 367, 381.
Walker, Francis A., on immigration and the birth-rate, 56.
War, socialism and, 597, 609–610, 615, 624–625, 629.
Warbasse, Dr. James P., and the Co-operative League, 575–576, 580, 589–590.
Washing facilities in factories, 121, 133.
Washington, Booker T., cited, 359.
Wealth,
of the United States, 174–175.
See, also, Concentration.
Webb, Beatrice and Sidney, 57, 78, 228, 230, 236, 243, 257, 266, 282, 295, 296, 313, 328, 342, 351, 383, 422, 433, 460, 483–484, 496, 543–544, 548–549, 565, 566, 584, 591, 595, 601, 612, 617, 618, 620–621, 626n., 629, 631.
"We Don't Patronize" list, 291, 422-423.
Welfare work, 7–8.
Western Federation of Miners
See Mine, Mill, and Smelter Workmen.
West Virginia, civil liberty in, 206, 333.
Weyforth, W. O., cited, 257 and note.
"White collar" jobs, 57, 356.
Whitley Councils, 323, 324, 325, 327.
Williams, Arthur, quoted, 185.
Williams, Robert, and the National Transport Workers' Federation, 310–311.
Williams, Whiting, *Mainsprings of Men* cited, 196.
Wilson, William B., Secretary of Labor, 482.
Wilson, Woodrow, quoted, 192.
Wisconsin, Huber bill in, 73;
industrial education in, 357;
socialism in, 437;
industrial commission plan, 549.
Withers, Hartley, *Case for Capitalism* cited, 627.
Witte, E. E., cited, 472.
Wolman, Leo, *Growth of American Trade Unions, 1880-1923* cited, 257, 438.
Woman's suffrage, labor and, 451–452, 455–456, 488–489, 519.
Women in industry,
under earlier labor systems, 18, 35;
statistics in Great Britain and the United States, 36–37;
married women gainfully employed, 38;
occupational distribution of, 37–39;
and unemployment, 56–57, 144;
and skill, 64–65;
and wages, 152–153;
minimum wages for, 167–168;
organization of, 237, 238–239, 242, 245, 285, 347, 437, 438;
admission of to unions, 348, 352–354, 358–359;
dilution policy and, 352–354;
legislative regulation, 488–489, 491–492, 507, 549.
Women's Party, National, 488–489.
Women's Trade Union League, 237, 437, 488, 505.
Woolf, Leonard S., *Socialism and Co-operation* quoted, 595–596.
Woolston, H. B., cited.
Workmen's compensation laws.
safety movement and, 127–131;
compilation of, 446n.;
constitutionality, 478;
advocacy of organized labor, 499–500;
employer's opposition, 556–537;
states without, 546.

Young, Arthur, quoted, 21.
Youngman, Anna, *Economic Causes of Great Fortunes* quoted, 190, 192.

Zinc-white as a substitute, 122.

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